

Special

by the Gaffe

WORLD SERIES
DODGERS LEAD, 2-0
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Herald International Tribune

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Algeria... 1.000 Din. Iran... 1.000 Rial
Australia... 2.000 Aus. Dollar... 1.000 Aus. Dollar
Belgium... 200 Bels. Franc... 1.000 Bels. Franc
Canada... 1.000 Can. Dollar... 1.000 Can. Dollar
Denmark... 200 Dan. Kroner... 1.000 Dan. Kroner
France... 100 Frs... 1.000 Frs
Germany... 1.000 M. Marks... 1.000 M. Marks
Greece... 200 Dr. Dracmas... 1.000 Dr. Dracmas
Hong Kong... 100 H.K. Dollars... 1.000 H.K. Dollars
India... 100 Rupees... 1.000 Rupees
Italy... 1.000 Lira... 1.000 Lira
Japan... 100 Yen... 1.000 Yen
South Korea... 100 Won... 1.000 Won
Spain... 100 Ptas... 1.000 Ptas
Sweden... 100 Kronor... 1.000 Kronor
Switzerland... 100 Sfr... 1.000 Sfr
Taiwan... 100 N.T. Dollars... 1.000 N.T. Dollars
Thailand... 100 Baht... 1.000 Baht
U.S.A. ... 1.000 U.S. Dollars... 1.000 U.S. Dollars
U.K. ... 1.000 Pounds... 1.000 Pounds
West Germany... 1.000 M. Marks... 1.000 M. Marks
Yugoslavia... 100 Dinares... 1.000 Dinares

Cambodia Facing a New Peril

Khmer Rouge Set To Fight On Unless Given Major Role

By Michael Richardson
International Herald Tribune
BANGKOK — Leaders of the Khmer Rouge, reacting to mounting international pressure to stop them from gaining a strong position in any settlement of the Cambodian conflict, have made preparations to fight on alone if they are excluded from a share in power.

Western diplomats and military attaches here said that Khmer Rouge guerrillas had stockpiled enough arms, ammunition and other supplies inside Cambodia and along the Thai-Cambodia border to last about two years.

The Khmer Rouge has 40,000 soldiers, many of them "well trained, well armed and brutalized," a diplomat said.

The question, he added, "is what they are going to do or what is going to be done with them."

A military attaché said that even if China's supply of arms, equipment, food and money to the Khmer Rouge through Thailand was halted, "we are not looking at quick solutions to the Cambodian conflict."

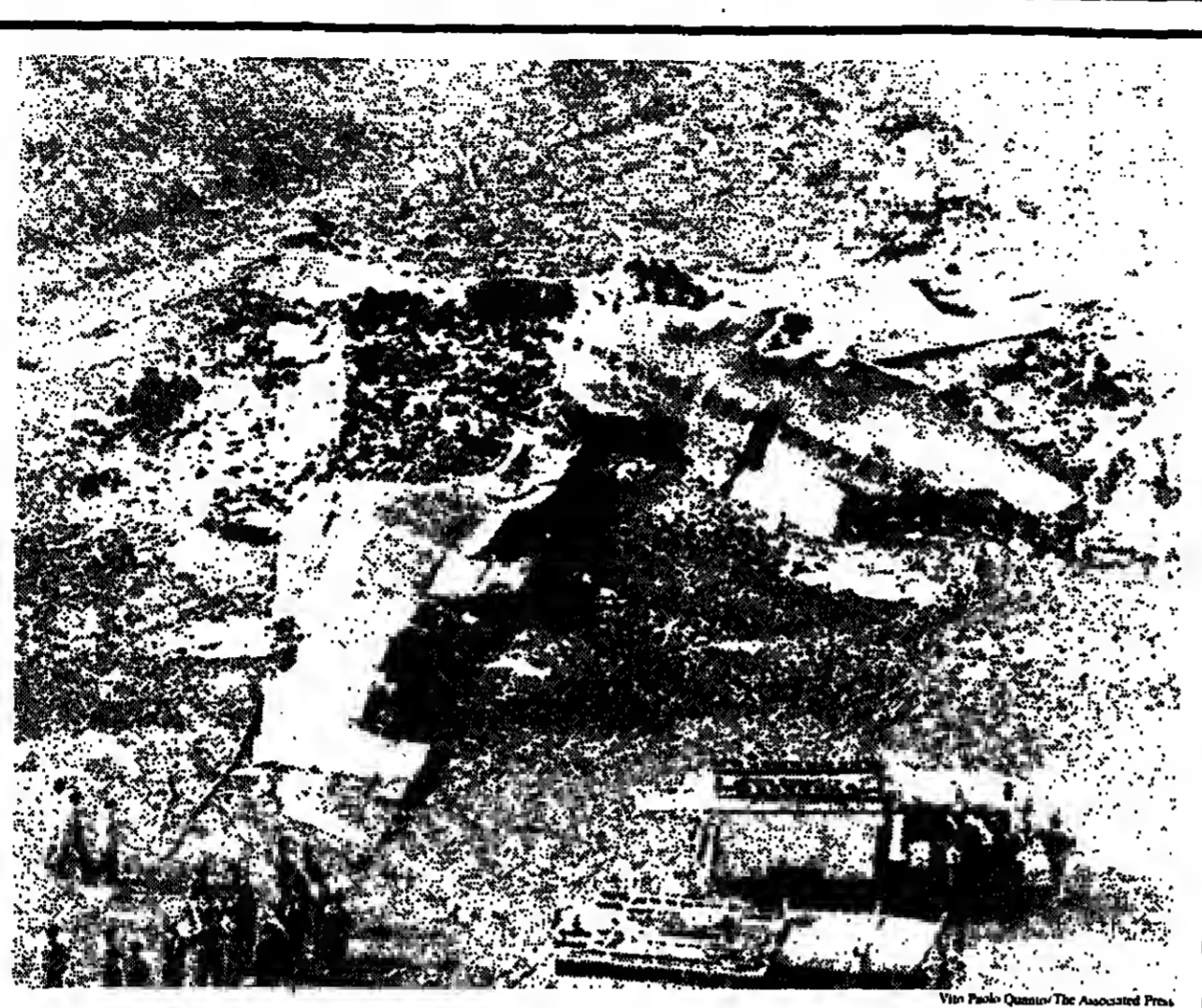
Staff members of international relief agencies operating in the border region said Khmer Rouge commanders had intensified military operations in western Cambodia in the last few months as Vietnamese forces pulled back from positions close to Thailand.

The Khmer Rouge has also tightened control over thousands of Cambodian civilians in camps just inside Thailand to make it easier to move them back into Cambodia for use as porters and forced labor, the attaché workers added.

Alarmed at this show of strength, Asian officials and leaders of two non-Communist Cambodian resistance groups in loose coalition with the Khmer Rouge are trying to find a power-sharing formula that would permit Khmer Rouge participation in a future government in Phnom Penh but preclude it from becoming dominant.

Officials from Thailand and other countries in the Association of Southeast Asian Nations began meeting Monday in Jakarta with officials from Vietnam and Laos, and with representatives of the Cambodian factions, in a further effort to find common ground for a settlement in Cambodia.

The Khmer Rouge guerrillas — See **CAMBODIA**, Page 7



31 Die as Ugandan Airliner Crashes in Fog at Rome
A Uganda Airlines Boeing 707 crashed in heavy fog early Monday on its third landing approach to Leonardo da Vinci Airport, near Rome. At least 31 persons were killed and the 21 survivors were taken to hospitals. Page 6.

Gulf Arabs Seeking Oil Quota Proposed In Gulf

By Alan Cowell
New York Times Service
DUBAI, United Arab Emirates — With the Iran-Iraq cease-fire holding, Arab nations in the Gulf that supported Baghdad during the eight-year war are now seeking restored ties with Tehran, according to diplomats and analysts in the Middle East and Western Europe.

Additionally, low oil prices eroding the earnings of Iran and other exporters have prompted renewed overtures from Tehran for friendlier relations with the Gulf Arab producers, notably Saudi Arabia.

The Saudis hold huge reserves, and their export levels help dictate prices on the world's depressed and volatile oil markets. Iran desperately needs oil income to restock its military arsenal and rebuild its economy.

Tehran's moves, a Western diplomat in the region said, are designed to counter the display of anti-Iranian Arab unity that helped Iraq's war effort. Moreover, some analysts argue, with a conciliatory approach, Iran is apparently trying to encourage inter-Arab divisions rooted in historical differences over territory and ideology between Baghdad and its Gulf neighbors, an attempt to shift the region's lines.

Before Gulf Arab oil producers met in Riyadh on Sunday night to discuss ways of stabilizing prices by enforcing quotas agreed on by the Organization of Petroleum Exporting Countries, Iran urged closer cooperation among oil producers across ideological lines.

"We can live with our neighboring Moslem countries in a way that problems are not created and we do not squander our country's wealth for the sake of childish slogans," the speaker of the Iranian parliament, the Majlis, Hashemi Rafsanjani, said at a Friday prayer meeting in Tehran.

"We feel there is no reason for us to quarrel with countries on the southern coast of the Gulf — with any of them," he said in a sermon broadcast on the Tehran radio.

With the immediate threat of subversion or direct military action by Iran apparently receding, Western diplomats in the region said, some Gulf Arabs have begun to distance themselves from overt animosity toward Tehran.

"The war produced alliances of convenience," a Western diplomat in Damascus said recently. "If the cease-fire translates into peace, there won't necessarily be the same pressures to keep such close ranks. One of the main alliances linked Baghdad with Saudi Arabia, Jordan and Egypt.

During the war, said Mehdi Varsi, a London-based oil industry specialist, historical differences between the Gulf Arabs and Iraq were largely buried. "These differences are now going to come into the open, and it's in the interests of

See **ARABS**, Page 7

But Iran Rejects Idea of Parity With Rival Iraq

By Warren Getler
International Herald Tribune
LONDON — Gulf Arab oil ministers have called for a compromise OPEC output ceiling that would give Iraq and Iran identical quotas, raising hopes Monday within the oil cartel that a solution to its production crisis is near.

Such a solution, analysts said, might allow the Organization of Petroleum Exporting Countries to stabilize crude oil prices that have tumbled to two-year lows in recent weeks.

But state-run Teheran Radio moved quickly Monday to assert that Iran continues to reject output parity with its rival Iraq.

Oil prices, which have tumbled amid overproduction by the 13 members of OPEC, rose sharply on news of the agreement late Sunday night by Arab ministers from the Gulf region. North Sea Brent rose 70 cents a barrel Monday morning in London.

But the price rally subsided somewhat on Iran's rejoinder. Brent closed at \$13.50 a barrel in London, 43 cents higher than Friday. The leading Middle East crude, Dubai light, gained 55 cents a barrel, to \$11.30, while West Texas Intermediate climbed 29 cents to \$15.21 in New York trading.

The agreement among ministers from Saudi Arabia, Kuwait, the United Arab Emirates and Qatar calls for a production ceiling of at least 17.43 million barrels a day for all OPEC nations, including Iraq. That is well above the current official OPEC ceiling of 15.06 barrels a day ceiling, which excludes Iraq, but below the 21.5 million barrels a day that OPEC members are actually pumping.

OPEC remains hampered by severe political divisions within its ranks, which are centered on ill feelings between Iran and Iraq that persist despite the cease-fire agreed upon in August.

Analysts said crude prices could stay in a narrow range between \$12 and \$14 — well below the official \$18 a barrel OPEC target price — until animosity clearly subsides between the former Gulf belligerents.

Some industry analysts dismissed Iran's rejection of the Arab proposal Monday as little more than saber-rattling before an important meeting of eight OPEC ministers in Madrid on Thursday, which will include Iraqi and Iranian representatives.

Rejecting the Arab proposal as "totally unprincipled," Tehran Radio said, "Considering official OPEC criteria, Iraq can never have a quota equal to Iran's." But the statement, which was monitored by Reuters, did not reject an increase in OPEC's official output ceiling.

"I'm not certain how much strength was behind that rejection by Tehran," said Michael Unsworth, an analyst with London brokers, Smith New Court PLC.

"I think Tehran is still in a negotiating position," he said. "It's clear that Rafsanjani has made some conciliatory remarks last week," he added, in reference to Iran's acting military chief, Ali Akbar Hashemi Rafsanjani. On Friday, the Iranian official said Tehran was determined to cooperate with Gulf Arab states to lift oil prices.

While the proposed change in OPEC's production ceiling has the backing of four key Arab states, whose combined quotas account for 43 percent of the cartel's official ceiling, the lack of support from Iran could bring the cartel "back to square one," said an OPEC source, who asked not to be identified.

"Without a compromise between Iran and Iraq and one that involves the other Gulf producers, it is going to be mighty difficult to come up with an arrangement that works," said Daniel Verina, president of Cambridge Energy Research Associates, a U.S.-based consultancy. "Any effort to come up with a new

See **OIL**, Page 15

Beijing Clamps Controls on Economy to Limit Free Market

By Edward A. Gargan
New York Times Service
BEIJING — The Chinese government, in an effort to reassert control over the country's economy, has imposed a series of stringent measures in the last week intended to reduce sharply the role of the free market and local decision-making in economic affairs.

In a rapid set of announcements, the government declared that it would reimpose controls on the prices of many commodities, limit the expansion in the number of private traders and clamp down on capital spending by localities.

The actions came after a five-day meeting of the Central Committee that ended Sept. 30 with a decision to reinvent the country's economic policies.

The new measures were the first indication that significant aspects of China's decade-long program of economic restructuring would be scaled back.

They also signaled a clear attempt by the central government to block the increasingly independent and free-wheeling behavior in economic affairs by many provinces, particularly those along the coast and in the south, and to stem the rapid spread of corruption within the Communist Party and government.

Although the Central Committee declared that for the next two years no further efforts would be made to allow prices to be set by market demand, it was not clear until the new measures were announced how that decision would be carried out.

The Central Committee meeting also marked a decisive shift in power away from the Communist Party chief, Zhao Ziyang, the most prominent advocate of economic reforms, in favor of more cautious party leaders like Prime Minister Li Peng and a Politburo economist, Yao Yilin.

In recent months, inflation had swelled to an unofficial but acknowledged annual rate of nearly 50 percent in cities, and corruption by officials seeking to cash in on the entrepreneurial spirit appeared unchecked.

Cheng Zhiping, the director of the State Administration of Commodity Prices, outlined a program that prohibits any price increases this year for basic foods, agricultural supplies and raw materials like oil, copper and aluminum.

He ordered that the price of vegetables — See **CHINA**, Page 7

Key Yugoslav Meeting Opens on a Mild Note

By Henry Kamm
New York Times Service
BELGRADE — The much-heralded meeting of the Communist Party Central Committee opened on Monday with a day of prepared speeches without debate, and the rhetoric remained abstract.

For weeks, the meeting has been presented to this troubled nation as a turning point that would set Yugoslavia on course toward solutions of its urgent economic, ethnic and political problems.

In a nation where ordinary citizens hotly debate the performance of their leaders, often naming them in graphic terms, the names of no living people, least of all Yugoslav leaders, figured in the speeches on Monday.

The keynote speech by Stipe Suvor, the party president, who is serving a one-year rotating term, was 57 pages of abstract language.

The only names he cited were Marx, Lenin, Tito and Tito's right-hand man, Edward Kardelj.

"It's like a balloon," a Yugoslav journalist said, comparing the high popular expectations with the low returns so far, in what is expected to be a two-day session. "Now it's been pinched."

Mr. Suvor conceded the gravity of Yugoslavia's problems. But in 57 pages, he did not note that inflation has been running at 217 percent for the last 12 months, that the debt in convertible currencies stands at \$21 billion and that unemployment surpasses one million.

He alluded only indirectly to the three-month-old wave of Serbian and Montenegro mass protests against what the protesters say are ethnic Albanian abuses against the Slavic minority in Kosovo Province. The protests have broadened into angry crowds pouring into the streets in Vojvodina Province and

the Montenegro Republic demanding the resignations of their party hierarchies.

The demonstrations, inspired by Slobodan Milosevic, the Serbian party chief, have unsettled the political balance of this country of six republics and two provinces, headed by a weak central government.

The protests have made of Mr. Milosevic a contested political figure, dividing the country into those who admire his giving voice to long silent resentments among Serbians, the largest nationality, and those who fear an awakening of Serbian nationalism and the rise of an ambitious leader.

In his much-awaited speech, Mr. Milosevic limited himself to demanding speed in solving the Kosovo issue, which, as is customary, he termed an Albanian "counter-revolution." He also assured the rest of Yugoslavia that Serbia harbored no ambitions over other republics.

Mr. Suvor and the other speakers — See **SERBS**, Page 7



SOCCER RIOTS TRIAL — A group of Britons talking during a break Monday on the opening day of their trial in Brussels. They were among 26 persons charged with manslaughter in the deaths of 39 fans, mostly Italians, who died when fighting erupted during the May 1985 European Cup final between Liverpool and Juventus of Italy in Heysel stadium in Brussels. World Briefs, Page 2.

The Estonia Experiment: Perestroika's Prospects

By Michael Dobbs
Washington Post Service
RAPLA, U.S.S.R. — Mikhail S. Gorbachev's appeals to Soviet citizens to get involved in politics have been heard loud and clear in this Estonian village. Residents have banded together in a grass-roots political movement and voted to kick out local Communist Party officials.

In the last six months, the citizens of Rapla, 30 miles (50 kilometers) south of Tallinn, have also demanded economic independence for Estonia, restored a monument to Estonians killed in the 1919 war of independence with the Soviet Union and drawn up lists of former secret police collaborators they want to put on trial.

"Every day brings surprises," said Tonis Tomisson, a journalist for the local newspaper Uhistoo. "People can't believe their eyes."

In theory, Uhistoo, with a circulation of 16,000, is an official Communist Party organ. In practice, it has become the headquarters for a new citizens movement known as the Estonian Popular Front that has demanded revolutionary changes in the way this tiny Baltic republic is run.

A similar mass mobilization has occurred all over Estonia, turning it into the high frontier of perestroika, or restructuring, as Mr. Gorbachev has labeled his program of change. In no other Soviet republic has the Communist Party leadership been so flexible in responding to popular aspirations and actively taken the initiative in fighting for greater autonomy from Moscow.

With their small populations, traditions of hard work and relatively high standard of living, the westward-looking Baltic republics of Estonia, Latvia and Lithuania are ideal laboratories for political and economic change.

It is by no means clear, however, whether the Baltic experiment can be transferred to less developed and more conservative parts of the Soviet Union like the Central Asian republic of Uzbekistan, where resistance to Gorbachev-style change is strong.

Estonian television now routinely carries interviews with dissidents saying things that would have landed them in jail not long ago. Protests in the Estonian capital, Tallinn, in support of the Popular Front have been attended by as many as 300,000 people, one-fifth of the population of the republic. The blue, black and white prewar flag of independent Estonia has been officially restored as a republican emblem.

In a politically symbolic gesture, See **REFORM**, Page 7

In the Hunt for Museum Funds, Americans Fear European Poaching

By Douglas C. McGill
New York Times Service
NEW YORK — When the Tate Gallery in London decided to raise money last year to buy a painting by Jackson Pollock, it turned not only to its own coffers but also to a source that it believed was ripe for an approach: wealthy Americans.

While foreign art museums have long sought money from U.S. multinational companies doing business in their countries, many American art museums say foreign art museums are becoming increasingly bold and sophisticated in their solicitation of U.S. patrons, both corporate and private.

"There's a fearful undercurrent of concern," said Judith A. Jeddicks, the president of the Business Committee for the Arts in New York City, which monitors art patronage. "The worry is that too many dollars will get siphoned off for foreign shows from what the museums need here."

There are, of course, countervailing trends. In the area of corporate sponsorship in particular, American museums are increasingly seeking the patronage of foreign firms that want to bolster their image or increase their sales in the United States.

Mercedes-Benz, for example, is sponsoring an exhibition of work by Andy Warhol at the Guggenheim Museum in New York; Fiat, Olivetti, Banco de Bilbao and other foreign companies have paid for major shows at the Metropolitan Museum of Art in New York in recent years.

Japanese companies, which spend tens of millions of dollars on philanthropies in the United States, are paying for increasing numbers of American art exhibitions and museum projects.

However, some museum directors say it is difficult to determine precisely how the fund-raising efforts of foreign museums in the U.S. are affecting their own ability to raise money. "It's part of a large competitive pattern," said Richard E. Oldenburg, the director of the Museum of Modern Art in New York. "We are all competing for limited resources, but there is no way I could say this phenomenon is costing us directly."

Underlying these activities by foreign art museums in the U.S. is the fact that many, like the Louvre in Paris, the British Museum in London, the Prado in Madrid and the National Gallery of Scotland in Edinburgh have expanded in recent years.

But at the same time, privatization and austerity programs in many of these countries have caused government support for the arts to level off or decline.

To raise the money needed for growth, the museums are trying to increase corporate and private support in their own countries. They are also looking to the country with the most fully developed tradition of such business and private art philanthropy — the United States.

Ethnic, religious and longstanding cultural ties with American patrons have for years helped foreign art museums and cultural institutions financially.

The Israel Museum in Jerusalem and Versailles in France, for example, have both benefited significantly from American patronage.

Today, however, the cultivation of ties between foreign art museums and American patrons is becoming a fine art in itself.

To help pay for a major expansion project at the Louvre, its officials are soliciting American corporations by trumpeting the fact that more Americans than French visit the museum.

"A small American museum has an impossible time raising money because it can't offer up a queen or a chateau," said Marife Hernandez, a New York business consultant who raises money for the Bronx Museum of the Arts.

"If it's competing with the Royal Palace of the Netherlands, to go up to the Bronx is not such an attraction."

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Kiosk
Philip Morris Bids for Kraft
NEW YORK (Reuters) — Philip Morris Co., the huge American tobacco and consumer products concern, said Monday it is launching an \$11.5 billion buyout of Kraft Inc. in what would be the largest nonoil company takeover on record. Philip Morris said it would offer \$90 a share for Kraft, a Chicago-based food and consumer products group. Article, Page 2.

Gertrude Elion, who shared the Nobel medicine prize with two others, is in New York.

General News
Emerging fears are straining Jewish loyalty to the Democratic Party. Page 3.
Some Filipinos assailed an accord on military bases there as too favorable to the United States. Page 6.
Business/Finance
Elders, an Australian brewer, bid \$1.44 billion for Scottish & Newcastle Breweries. Page 9.
West European banks are flocking to extend export credit to the Soviets. Page 15.

Dow Jones
The Dollar in New York
DJI 1,807.8
DM 1.748
Yen 127.075
FF 6.1735

3 Share the '88 Nobel Prize in Medicine

STOCKHOLM — Professor Gertrude Elion and Dr. George H. Hitchings of the United States and Sir James Black of Britain won the 1988 Nobel Prize in medicine Monday.

The Americans won for discoveries leading to drugs that treat AIDS and herpes, while Sir James shared the award for research that led to a beta-blocker drug for heart disease and a drug for peptic ulcers.

The Americans' research also led to the development of drugs for the treatment of leukemia, malaria and to fight the rejection of transplanted organs, said the Nobel Assembly of the Karolinska Institute.

Professor Elion, 70, a New York City native, and Dr. Hitchings, 83, born in Hoquiam, Washington, are affiliated with Wellcome Research Laboratories in Research Triangle Park, North Carolina. Sir James, 64, born in Scotland, works at King's College Hospital Medical School at the University of London.

The work of Professor Elion and Dr. Hitchings broke new ground in finding the difference in the processing of genetic material between normal cells and cancer cells, protozoa, bacteria and viruses, the Karolinska Institute said.

Knowing those differences allowed researchers to attack disease-causing organisms by interfering with their replication, the announcement said.

The institute said that among the drugs developed from their ideas is

azidothymidine, or AZT, which has had the best documented results in the treatment of AIDS, the institute said. AZT is the only federally approved drug for treating acquired immune deficiency syndrome in the United States.

"We are still harvesting the fruits of what they determined almost 40 years ago," said Folke Sjoqvist, a member of the Nobel Assembly.

Their discoveries in the late 1940s led to a variety of drugs, like 6-mercaptopurine in 1951 for leukemia. They also developed azathioprine, which was for many years the only drug available to prevent the rejection of transplanted organs.

Another breakthrough in applying their research came in 1977, when the first effective drug was developed for treating herpes virus infections. The drug, acyclovir, does not cure genital herpes, but it makes outbreaks of sores less severe and makes them heal faster.

In 1964, Sir James developed the first clinically useful beta-blocker drug, propranolol, for use in the treatment of heart disease.

Propranolol acts on beta receptors on nerves leading to the heart and blocks the stimulating effect of

adrenaline. Receptors are specific places to which drugs and natural substances attach themselves to produce their effects.

Benji Perow, a physiologist and member of the Nobel Assembly, said Sir James made "the greatest breakthrough when it comes to pharmaceuticals against heart illness since the discovery of digitalis 200 years ago."

In 1972, Sir James discovered a group of histamine receptors, a finding that led to the development of the drug cimetidine for peptic ulcer.

The three winners will share a cash award of 2.5 million kronor, or about \$390,000, which they will receive at an awards ceremony Dec. 10.

Dr. Hitchings received a bachelor's degree from the University of Washington and a doctorate from Harvard University.

After teaching at Harvard and Western Reserve University, he joined Burroughs Wellcome Co., a pharmaceutical company, in 1942. Wellcome Research Laboratories is the company's research arm.

Dr. Hitchings became Burroughs Wellcome's research director in

1955. He was a director of the company from 1968 to 1984 and has been a professor at Duke University and Brown University.

Professor Elion earned her bachelor's degree from Hunter College and a master's degree from New York University.

She has worked at Wellcome Research Labs since 1944 and as a senior research chemist since 1950. Since 1983, she has been a scientist emerita at the laboratory and a research professor of pharmacology at Duke.

Sir James received bachelor of surgery and bachelor of medicine degrees from the University of St. Andrews in Scotland.

The medicine prize is the first of four Nobel prizes to be announced this week. On Tuesday, the laureate in economic sciences will be named, and prizes in physics and chemistry will be awarded Wednesday.

The Nobel Peace Prize went this year to the United Nations peace-keeping forces. The literature prize was won by Naguib Mahfouz of Egypt, the first Arabic-language laureate in the 87-year history of the Nobels.



Sir James Black celebrating his Nobel award Monday in London.

WORLD BRIEFS

Ligachev's Status Remains a Mystery

MOSCOW (AP) — A Soviet spokesman refused on Monday to define the duties of the former Soviet ideology chief, Yegor K. Ligachev, but denied that he or anyone else is "No. 2" on the ruling Politburo.

"All members of the Politburo are equal, and some are more equal than others," said the Foreign Ministry spokesman, Gennadi I. Gerasimov, paraphrasing Orwell's satire of Communist society in "Animal Farm."

But he said there was no official second-in-command despite Western reports that Mr. Ligachev had once served as chairman at meetings of the 12-member ruling body of the Communist Party. "What you call No. 2 doesn't exist," Mr. Gerasimov said. Still, Mr. Ligachev appeared Monday at the right-hand side of Mikhail S. Gorbachev at the opening of a national conference of doctors in the Kremlin.

Peres Proposes Palestinian Election

TEL AVIV (AP) — Foreign Minister Shimon Peres, leader of the Labor Party, proposed on Monday elections in the occupied West Bank and Gaza Strip to select Palestinians who would negotiate peace with Israel.

The call was part of a policy statement issued by Mr. Peres and a party colleague, Defense Minister Yitzhak Rabin, in the campaign for Israel's general elections Nov. 1.

Meanwhile, in the Gaza Strip Monday, troops shot and wounded eight Palestinians, including two 13-year-old boys, during clashes in the towns of Rafah and Khan Yunis, hospital officials said.

Moslem Lebanese Strike Before Vote

BEIRUT (Reuters) — Pro-Syrian Lebanese went on strike in Moslem areas of Lebanon on Monday in protest at Iraqi aid for their Christian rivals. The strike came the day before elections for a new president of the Chamber of Deputies that most Christian representatives are likely to boycott.

The yearlong term of the current president of the assembly, a Shiite Moslem, Hussein Husseini, ends on Tuesday. Many Lebanese fear the post will remain vacant, pushing the country even further toward partition.

Parliamentary sources said most of the 41 Christians among the surviving deputies would boycott the session, which is to be held at an old parliament building in devastated central Beirut, an area under Moslem control.

60,000 Peru Miners Walk Off Jobs

LIMA (UPI) — About 60,000 state and private employees walked off their jobs in the mining industry on Monday, intensifying labor unrest that has crippled bus transportation and cargo shipments in Peru.

In the shantytowns ringing the capital, throngs of workers fought for space on pick-up trucks and crowded onto a limited number of buses to get to their jobs. Protests have escalated in the past week over inflation that is expected to exceed 1,000 percent this year.

The center-left government of President Alan Garcia Perez moved to minimize the effect of the walkouts, offering double pay to the 16,000 miners at the Centromin state mining company in the central Andes. Union leaders said the walkout in the key mining sector would cost the Garcia government \$4 million a day in lost earnings.

Judge Walks Out in Soccer Riot Trial

BRUSSELS (Reuters) — A judge walked out of the courtroom on Monday after clashing with a defense lawyer for British soccer fans charged with manslaughter in the Brussels Heysel stadium disaster. Judge Pierre Verheyden later suspended the session until Tuesday.

Lawyers launched an aggressive defense of the 26 Britons charged over the deaths of 39 people, mostly Italians, in the 1985 disaster. They disputed the validity of a police video film as evidence and sought to call new witnesses.

Serge Moureaux, one of the lawyers, pressed for former Interior Minister Charles-Ferdinand Nodding and several police officers to be summoned as witnesses. When the judge asked him to wind up his submission, Mr. Moureaux said, "You are interrupting my speech and I am asking you to recognize that." The judge refused and walked out.

TRAVEL UPDATE

Traveler Cholera Risk Low, U.S. Says

ATLANTA (AP) — The risk of catching cholera for most American travelers abroad is so low that getting the shot usually is not worthwhile, a panel of the federal Centers for Disease Control says.

The CDC's Immunization Practices Advisory Committee said the vaccine is only about 50 percent effective, and that avoiding food of water likely to be contaminated is the best prevention. People using standard tourist accommodations abroad are at virtually no risk, the committee said.

Its report noted that some countries still require proof of vaccination for entry but that the United States no longer does, even for travelers from countries where the disease is common. The CDC said cholera is common through much of Asia, Africa, the Middle East and parts of Europe. It recommended the shots for people who work in primitive conditions in areas where the disease is prevalent.

A new Soviet airliner, the Tupolev-204, is to be introduced in 1990 for trips of 3,500 to 4,000 kilometers (2,170 to 2,480 miles). The plane carries 214 passengers and should be the most economical Soviet plane in its class, Pravda reported Monday. (AP)

Hundreds of French tourists were evacuated in Malta from a Soviet cruise liner on Monday, 24 hours after a fire broke out. Passengers on the Shota Rustaveli said they were told a blaze had erupted in the ship's generating room. The 450 passengers were transferred to a sister liner, the Louisa Brezhnev, which is to resume the cruise. (Reuters)

An AIDS Finding May Permit Safe Fatherhood

By Gina Kolata

New York Times Service

NEW YORK — Using an advanced new technique for searching for signs of the AIDS virus, researchers have discovered that the virus does not lurk in sperm cells. Instead, it is only in cells of the seminal fluid in which sperm cells are suspended.

The discovery may mean that it will be possible for men infected with the AIDS virus to father children safely through a form of artificial insemination.

The finding, by Dr. Bernard

Poiesz and his colleagues at the State University of New York in Syracuse, came in the course of a larger study of the AIDS virus in semen, which is made up of both the sperm and the seminal fluid.

The researchers say they are baffled because theoretically if the AIDS virus is present in the blood, it should also be present in the seminal fluid, since that fluid contains white blood cells, which the virus attacks.

Another group of researchers, headed by Dr. Suraliya Rasheed of the University of Southern California in Los Angeles, also reports that it can no longer detect the AIDS virus in most semen samples from infected men although it almost always finds it in the men's blood.

He continues to detect the AIDS virus in virtually 100 percent of the blood samples from these men.

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A third group, headed by Dr. Brooks Jackson and Dr. Henry H. Balfour Jr. of the University of Minnesota, reports that it too finds the virus in only a minority of semen samples.

The finding that the AIDS virus is not in sperm cells even when it is in seminal fluid came to light through the use of a new technique, polymerase chain reaction, that can

detect the genetic material of the virus with unusual accuracy, even if the virus is lying dormant in cells and not actively reproducing itself.

Dr. Poiesz reports that he can only find the virus in about 20 percent of the semen samples from infected men, whereas several years ago he could find it in 70 percent of semen samples from infected men.

The finding could mean that men infected with the AIDS virus can safely father children if their sperm is separated from the rest of their seminal fluid and placed directly in the uterus of their sexual partner.

Dr. Maria Busillo of the Genetics and IVF Institute of Fairfax, Virginia, Dr. Busillo added that seminal fluid does not enter the uterus during sexual intercourse. It is stopped at the cervix, the entrance to the uterus, by mucus. The sperm alone migrate into the woman's uterus. But if the seminal fluid does contain the AIDS virus, it can still infect the woman through her vagina.

Researchers in infertility routinely impregnate women by placing sperm directly in their uteruses, Dr. Busillo said. "We do it as an empirical treatment when we don't know what's causing infertility or when patients have a cervical problem, such as when they don't pro-

duce enough mucus," she said. Dr. Poiesz and others said they could not guarantee that the new test would never miss an AIDS virus that might be hiding in a sperm cell, and so there still might be a very slight risk in using those sperm. "P.C.R. is sensitive," he said of the test, "but it is not infinitely sensitive."

The idea of isolating sperm from seminal fluid, "sounds appealing, it sounds reasonable, but what would you say if someone asked you to put a number on it?" asked Dr. Jonathan W.M. Gold of Memorial Sloan-Kettering Cancer Center in New York. "What is the chance of getting infected? You can't put a number on it."

Still, these experts said, using isolated sperm is better than what some patients see as their only alternative. Some AIDS virus carriers and their sexual partners have opted for unprotected sexual intercourse in order to have children, although doctors counsel these patients that the AIDS virus could be transmitted to the woman and the fetus.

Dr. Poiesz added that patients infected with the AIDS virus but who have no detectable virus in their semen have asked him if it is safe to try to have unprotected sexual intercourse in order to try to impregnate their wives. He has advised them not to take that chance.

'What is the chance of getting infected? You can't put a number on it.'

Dr. Jonathan W.M. Gold of Sloan-Kettering.

East Germans Honor Jewish Leader

By Serge Schmemmann

New York Times Service

BERLIN — The East German leader, Erich Honecker, met with the president of the World Jewish Congress, Edgar M. Bronfman, on Monday in a visit diplomats perceived as a milestone in East Germany's efforts to foster better relations with the American Jewish community.

Underlining the importance of the visit to East Germans, Mr. Honecker gave Mr. Bronfman extensive protocol honors and decorated him with a high state honor

for his "work for peace." Mr. Bronfman, who is also chairman of Seagram Co., the Canadian distiller, declared in turn, "I believe we are building a bridge together."

There was no immediate indication, however, whether the East Germans had assured Mr. Bronfman of their readiness to pay compensation to Jewish victims of Nazi persecution.

Mr. Bronfman and his aides declined to comment on the talks with Mr. Honecker and other senior officials before a press conference in East Berlin on Tuesday.

But sources familiar with the talks said Mr. Bronfman had stressed to East German leaders the need for their state to recognize its obligations to Jewish victims of Nazi Germany.

The sources added that Mr. Honecker had not rebuffed Mr. Bronfman and that the issue of

compensation was not closed.

On Sunday night, speaking to members of East Germany's Jewish community — which includes a sizeable number of Communist Party members — Mr. Honecker said "preparations to victims is of course of some importance, but I regard the moral question to be of greater importance." That, he said, was "remembering what happened and teaching it from generation to generation."

Mr. Bronfman's visit to East Berlin comes after a broad effort over the past year by the Communist state's leaders to improve ties with the United States and with American Jews.

East Germany permitted an American rabbi to serve the tiny community of practicing Jews in East Berlin, though the first to arrive, Isaac Neuman, left after eight months of frustration and quarrels.

East Germany permitted an American rabbi to serve the tiny community of practicing Jews in East Berlin, though the first to arrive, Isaac Neuman, left after eight months of frustration and quarrels.

Herzog Is in Paris on Visit

The Associated Press

PARIS — President Chaim Herzog of Israel arrived in France on Monday for a five-day visit, the first by an Israeli president.

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INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

Perestroika on the Farm

Mikhail Gorbachev's education in socialist agriculture presumably began when his peasant father was swept into one of Stalin's collective farms. Later, as Leonid Brezhnev's farm chief, he had six years to learn the limitations of simply throwing money — greater investments — into the grossly inefficient structure Stalin had designed to tame a resistant peasantry. In his characteristic style, Mr. Gorbachev already has turned the glare of glasnost on the manifest failings of the current system. But only in recent weeks has he made the political breakthrough — circumscribing the power of his chief Politburo rival, Yegor Ligachev — that now allows him to undertake the leap forward in agriculture that has been contemplating for some time.

Voting for the Economy

Which candidate is better equipped to build on the strengths of the Reagan economy and shore up its weaknesses? The differences in the candidates' economic policies are smaller than their television ads would suggest. George Bush is no callous plutocrat; Michael Dukakis is no tax-and-spend welfare statist. Their proposals, an eclectic mix of indirect subsidies and market-based incentives, suggest that the two men share a traditional and cautious view of government's role in the economy.

There is plenty of apparent prosperity in America. Family incomes are up about 10 percent in real terms since 1980. Unemployment and inflation are near 15-year lows. But is it real? Most Americans find that they now must run faster to stay ahead. Real wages are down 2 percent since 1980 and 10 percent from the peak in 1972. The prosperity of the typical family rises only because a second earner is working full time.

It is not surprising that Mr. Bush makes much of today's job statistics or that Mr. Dukakis talks of poverty statistics. But few economists would assign much credit for stable growth to President Reagan. The turnaround of the 1980s depended on the stern credit policy of Carter appointees to the Federal Reserve, who painfully squeezed the air out of the inflation balloon. And few would blame President Reagan for the uneven quality of the 1980s prosperity. That is the consequence of trends in competitiveness and productivity which are largely beyond White House control.

Without the Helicopter

Few modern presidents have shielded themselves from reporters as successfully as has Ronald Reagan. News conferences have virtually disappeared; discourse before the press and the president consists mainly of shrouded questions on the White House lawn, the answers muffled by the noise of a waiting helicopter.

The report comes from a commission of journalists and scholars assembled by the Joan Shorenstein Barone Center on the Press, Politics and Public Policy at Harvard University. It concludes that there should be more news conferences, not fewer. It concludes that nationally televised extravaganzas defy coherent and civilized discourse. But it argues that news conferences, woven naturally into the political fabric, would inhibit posturing on both sides of the lectern and lead to useful exchanges.

—THE NEW YORK TIMES.

Shevardnadze: The Silver Fox Guarding Gorbachev's Flank

By Jim Hoagland

PARIS — To watch Eduard Shevardnadze operate is to understand why Mikhail Gorbachev abruptly summoned the silver fox of Soviet diplomacy back to Moscow for the big power play in the Kremlin at the end of last month. Alarm bells went off in Washington when Mr. Shevardnadze hurried home from the United Nations. Senior officials at the State Department and on the National Security Council assumed that the Soviet leader would have ordered the return only if he were in serious danger. Some began consulting contingency plans in the event of Mr. Gorbachev's ouster, according to one participant in the process.

A clue to a more likely explanation emerges from the three-day official visit that Mr. Shevardnadze made to Paris last week. After witnessing the reassuring, yet disciplined, presence that he projected in his public appearances here, I can understand why any leader would want to have him alongside in a decisive situation. He sets a tone of smooth competence that is hard to penetrate or throw off stride. He demonstrated the style and substance that have made him Mr. Gorbachev's most trusted and respected ally on the Politburo and a prime mover in foreign policy.

—THE WASHINGTON POST.

OPINION



In This Plan, The Attacker Is the Loser

By Enrico Jaccia

MOSCOW — After more than 15 years of negotiations, a breakthrough toward reducing conventional forces in Europe may be at hand. Mikhail Gorbachev, having consolidated his power, is in a position to make a goodwill gesture involving unilateral reduction of troops in Central Europe. There is speculation in Moscow that such a move could come during Chancellor Helmut Kohl's visit to Moscow on Oct. 24.

Promising prospects are emerging from a debate within the Soviet military and from studies by research bodies in Western Europe. For years, debate on European security has centered on numbers, with NATO saying that the Soviets have great superiority in troops and tanks and demanding that these be reduced. The debate is now shifting toward the establishment of a stability-oriented arms control regime to help ensure lasting peace.

Some outward signs of this are the announced changes in Soviet military doctrine as it purportedly evolves toward a defensive stance. Soviet discussion of the transition from traditional offensive strategy to what is called "defensive defense" is no longer confined to military circles. Researchers from the various institutes of the Academy of Sciences have become involved in the debate, and their role appears to be widening.

At a meeting early this month in Moscow with senior Soviet military and foreign policy officials, a medical delegation of West European and American security analysts discussed models of force structures that might guarantee stability — that is, changes in operations and strategy that might create a situation of mutually East-West defense in which whoever attacks loses. To the surprise of the Westerners, myself included, the Soviets had models that were not too different from our own.

Both East and West have ideas for more "defensive defenses." Both sides seem to recognize that arms reduction by itself does not guarantee stability. Even after asymmetrical reductions, with the Soviet side doing most of the cutting but keeping the same force structure as now (with the emphasis on offensive capacity), the Soviet threat to Western Europe could remain intolerable.

Offensive potential can depend less on numbers than on the structure of armed forces, the types of weapons and equipment, organization, doctrine — in short, on the whole array of military activity.

Debate now centers on how the forces of the North Atlantic Treaty Organization and of the Warsaw Pact should be deployed in different zones. A first zone might extend 100 kilometers (60 miles) on both sides of the intra-German border, where a radical reduction of troops would be necessary — with few or no tanks, no bridging equipment and reduced stocks of ammunition. A second zone might then be established in which counter-offensive forces could be concentrated, but within strict limits likely to enable defenders to push invaders back the border, but no further.

For three decades, NATO strategy has been heavily oriented toward deterring a powerful surprise attack. What Moscow has called the Warsaw Pact's "defensive posture" involved immediately carrying the conflict to NATO territory, which would require a formidable offensive capacity.

The current treatment of ideas in both Western and Eastern Europe toward arms reduction in Europe toward a regime of stability and security is promising. It requires an effort of imagination by the NATO command. Failing to pay attention to the tide of change now rising in Moscow would be a serious mistake. NATO can and should respond constructively.

The writer is director of the Rome Center for Strategic Studies. He contributes this column to the International Herald Tribune.

Mr. Gorbachev brought Mr. Dobrynin home from his 24-year tour as ambassador in Washington in 1986 to take charge of the Central Committee's International Department. Mr. Dobrynin's long exposure in the United States and his well-honed analytical skills seemed to position him to become a Soviet Henry Kissinger to Mr. Shevardnadze's William Rogers. Reports circulated in Moscow periodically that Mr. Dobrynin was building a National Security Council system that would inevitably give him the main supporting role in foreign policy, just as NSC adviser Kissinger eclipsed Secretary of State Rogers under President Nixon.

But Mr. Shevardnadze began last year to show that he had different ideas. He quietly established a research unit in his own office to deal with U.S. policy and to give him a channel of information not controlled by Mr. Dobrynin or his allies. In contrast to his first year, when his meetings with Western officials seem to have been tightly scripted, he came in key events with fewer restraints and more room to maneuver.

The two diplomats do not seem to have come into open conflict. But Mr. Dobrynin's more traditional methods seem to have caused his influence to wane. Mr. Shevardnadze at the same time was gaining a reputation within the Central Committee Politburo of increasing political freedoms at home as a step toward reviving the stagnant economy and winning public support.

In a July speech he amplified a theme that Mr. Gorbachev had only mentioned in his book "Perestroika." He argued that international relations are not subject in the Marxist concept of class conflict — code language for a desire to cut Soviet commitments to ineffectual Third World revolutionary movements and governments and to seek a more lasting accommodation with the West.

A public rebuttal of the Shevardnadze speech by Yegor Ligachev seems in have been the last straw, provoking Mr. Gorbachev to stage the showdown in which Mr. Ligachev lost his ideology portfolio and was shifted to agriculture. Mr. Dobrynin was retired to the far-ranging shuffle.

In Paris, whether by skillful acting or in genuine concern, Mr. Shevardnadze spoke eloquently about the Soviet Union's need to improve its human rights record. I had seen Mr. Gorbachev bristle and snap at journalists who asked him similar questions on human rights when he visited Paris in 1985, and again in an interview in Moscow last May. But Mr. Shevardnadze calmly asked not only for patience but for help from the West.

Both Secretary of State George Shultz and Foreign Minister Hans-Dietrich Genscher of West Germany reportedly have mild associates that they are convinced Mr. Shevardnadze would not sell them a phony bill of goods. We can only hope they are right about the man who has replaced Mr. Dobrynin as America's main diplomatic interlocutor on war and peace.

The Washington Post.

In Cambodia, Fears of a Return to the Killing Fields

By Lionel A. Rosenblatt

NEW YORK — In the final scene of the movie "The Killing Fields," Dith Pran, now a New York Times photographer, reaches freedom from the Khmer Rouge in a refugee camp along the Thai border. Now, according to officials in Thailand and Washington, the Khmer Rouge — who were ousted by the Vietnamese almost 10 years ago, after murdering up to a million civilians — are forcibly emptying some of these border camps, enslaving civilians and threatening to return to dominance.

In recent weeks, the Khmer Rouge have forced several thousand refugees to quit camps just inside the Thai border and return involuntarily to the interior of Cambodia. There, these civilians face a probable future of forced labor of the most onerous and dangerous variety, such as ammunition-bearing and mine-clearing. In a chilling throwback to the forced evacuation of Phnom Penh in 1975, the Khmer Rouge are abandoning the crippled and infirm as of no use in whatever fighting lies ahead. Every one else is marched off.

Against this backdrop, plans continue to be spun out for a "reconciliation" government, perhaps headed by Prince Norodom Sihanouk and possibly including the Khmer Rouge. And the Chinese now appear willing to accept in exile the Khmer Rouge leader, Pol Pot, and a few of his close associates. But the removal of the leadership does not preclude a return of the Khmer Rouge, given that they are the dominant military faction.

Nevertheless, in an inexplicable echo of the media's hear-no-will approach to the first couple of years of the Pol Pot regime, the American press has been relatively silent on this ominous Khmer Rouge reversion. The European press has been only slightly more attentive. Yet, until international opinion focuses on the matter, we face the possibility of renewed tragedy in Cambodia.

Although the re-emergence of the Khmer Rouge is linked to Vietnam's withdrawal, that does not mean we should ease pressure on the Vietnamese to end their occupation of Cambodia. Indeed, the Vietnamese are attempting to secure their long-term interests with advisers and clandestine cadres who will stay behind to be sprinkled in and out of government. How can we ensure that Pol Pot —

check to Pol Pot should eventually begin to penetrate in Beijing.

The issue must also be joined with the Association of Southeast Asian Nations, where there is dawning awareness of the problem. Thailand has played the major and widely applauded humanitarian role in the 13 years of exodus from Indochina since the Communist takeover. Understandably, the Thais also want to continue the pressure on Vietnam and they see the Khmer Rouge as the best means to that end.

Moreover, the Thais fear retribution by the Khmer Rouge if they agree to a diversion of military assistance to the non-Communist elements. After all, when the Khmer Rouge ruled Cambodia, they massacred Thai villagers more than once.

The Khmer Rouge's potential to wreak havoc is the major rationale

Burma: The Dying Changed Very Little

By A. Lin Neumann

RANGOON — Arriving here last month, I expected to cover a victory celebration. The hermetic world of Burma, sealed off by military despots for 26 years, seemed to be yielding, finally, to the inevitable pressures for change. Students, monks and ordinary citizens were all calling for one thing: democracy.

But what occurred was the one event that could have halted Burma's leap into this century. On Sept. 18, the day after I arrived, the Burmese army invaded its own country. With a brutality more like the Nazi occupation of Poland than like modern riot control, hard-edged infantry were moved onto Rangoon streets with orders to shoot anyone who got in the way.

In the days following, hospitals echoed with the screams of the wounded and troops carried truckloads of bodies from the streets. Nights were filled first with the terror of random gunfire, then with the shocked stillness of military occupation.

The blame rests with one man. Diplomats, scholars and the Burmese themselves all believe the assault was ordered by U Ne Win, the 78-year-old former general who has controlled the country's fate since seizing power in a military coup in 1962.

for an international peacekeeping force. Thus, we should begin urgently to develop the consensus and framework for an international peacekeeping force to monitor Vietnamese withdrawal and prevent the return to power of the Khmer Rouge.

The logical starting point for exploring solutions is to recognize that there is an urgent problem; there are hopeful signs that the Reagan administration and some members of Congress have. Meanwhile, the news media should devote more attention to the fate of the thousands of Cambodians who have been driven recently into the interior by the Khmer Rouge. Where are these latest victims? Gone to the new killing fields and beyond?

The writer is a senior associate with the Sawyer/Miller Group of political consultants and recently retired from the State Department. He contributed this column to The New York Times.

Win, Ferdinand Marcos of the Philippines and Chun Doo Hwan of South Korea are men of liberal sentiment. The Burmese deserve better. Suffering under a regime that termed itself socialist but was in fact a perversion of the term, the 38 million Burmese watched their nation slide from relative prosperity into despair.

Seizing popular sentiment, the students who began the democracy movement in March ignited a fire that will not soon be extinguished. On the day of last month's takeover, Aung San Suu Kyi, the daughter of a Burmese independence hero and a leader of the democracy movement, asked, "Does the military think it can shoot people into cooperating?"

It is a question U Ne Win ought to consider. Surely the army's guns can maintain an order based on terror, but the economy and bureaucracy of the nation have been stilled by prolonged strikes and demonstrations.

In the days after Sept. 18, ordinary Burmese spoke of quiet resistance, sabotage and continued struggle. Student leaders say they are willing to fight the regime with guns, but they will be no match for the army. The real opposition will be that of the common citizen. You cannot murder a worker for refusing to be productive.

Simply to survive and halt further bloodshed, the moderate Burmese opposition appears willing to discuss elections with the military, but leaders say privately that they doubt fair elections can be held. They believe U Ne Win will try to rig any poll to ensure that his machine comes out on top.

It is to be hoped that with Burma off the front pages for now, room will still be found for discussing democracy. Burma is no more a backwater than anywhere else where bravery is met with tyranny.

The writer is Manila correspondent for the San Francisco Examiner. He wrote this column for the International Herald Tribune.

The Goo-Gos Glom Onto the Issues

By Nicholas von Hoffman

TENANTS HARBOR, Maine — The goo-gos, as the forces of good government were once called with more affection than respect, are agitating again. They are vocalizing their quadrennial complaint that the presidential candidates fail to address the issues.

The League of Women Voters has stamped off the platform refusing to be party to "hoodwinking" the electorate by sponsoring a debate that will, presumably, skip around the issues. Journalists and other acolytes who oversee the rituals of democracy look in vain for the nitty and the gritty of true substance in the nightly sound bites on television shows.

But why should presidential candidates talk about the issues or even talk at all? Neither Washington, Jefferson, Jackson, Madison, Monroe nor either of the two Adamses ever uttered a word in behalf of their own candidacies; much less did they address the issues of their day while running for the White House.

In their time it was considered unseemly and demeaning to the presidency for a man to make an overt sign that he was available for the top job. The practice was to let your friends and allies do the talking for you. If there were any issues to be addressed, the candidates were the last people to take them up in public.

Political customs had changed somewhat by the time Lincoln was nominated for the presidency. He was nevertheless elected without campaigning for the job. It was only after the Civil War that candidates made a customary thing of going about the country

"blowing" to use Warren Harding's term for waving one's mouth around in front of the multitudes. Whether the utterance of many words coincides with speaking to the issues is a matter of subjective judgment. The issues of the campaign are whatever the candidates talk about, however silly, fatuous or simple.

Between them, George Bush and Michael Dukakis have talked about an encyclopedic variety of issues, which surely include every subject on the goo-goo list of approved campaign topics. Moreover, from awkward to on beyond zebra, the candidates' staff-written opinions are available in the form of "position papers" to any inquiring voter, and much good may they do.

No cause and no candidate lacks voluminous, bulked-up, written matter in the era of desktop publishing, Xerography and data banking. The problem is not ignorance of the candidates' positions on the issues; it is to know what to make of them.

There will always be certain topics that candidates choose not to dilute on. In 1860, Lincoln was most circumspect about emancipation. Sometimes what candidates don't say is as revealing as what they do. And sometimes what they do say is not revealing at all. In 1940, Franklin Roosevelt tried to tiptoe around the war question, and when that didn't work he simply lied about it. In 1960, Richard Nixon did the same on the issue of Fidel Castro's Cuba. It's one thing to know so-and-so's position on an issue and it's another to know if he means it.

Goo-goism is Calvinism in politics. The operative word is "duty," as in civic duty. And duty, to win Browne points in the great Electoral College in the sky, must be onerous, then, beyond religious qualification. The rubrics of goo-goism prescribe that no one may vote without having given over many hours of thoughtful study to the issues.

In ancient Athens, where politics was a central preoccupation of the minority entitled to vote, this hard standard made sense. America does not have that kind of a ruling class. It has specialized ruling occupations — politicians, think-tankers, otherwise idle millionaires, public policy professionals, journalists, a dozen other politically concerned occupational types in a nation of infinitely specialized divisions of labor. They are paid to do the long, dull work of keeping up on the issues; it is their job to perform the lubrications dear to the goo-goo's indignantly palpitating heart.

In an era when the issues encompass everything from the arcana of water treatment to assigning medical research priorities, the ordinary voter will do well to be able to list the issues, let alone understand them.

For the majority, it is red, white and blue balloons and the 30-second sound bites so deprecatized by goo-goists the nation over. The majority must be the generalists, the ones who give a few of the issues a quick study before they check their intrusions, consult their prejudices, cross their fingers and vote.

The writer is working on a book about New York City's fiscal crisis in the mid-'70s. He finished this column to The New York Times.

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Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 0511. Tel: 473-7788. Telex: RS59928
Managing Dir. Asia: Malcolm Glenn, 5 Convent Road, Singapore. Tel: 5-8610616. Telex: 61170
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OPINION

Bush Was Slow to Ignite, But He's Learned to Burn

By William Safire

WASHINGTON—George Bush has devoted the past decade of his life to winning the presidency, and this sense of purpose has profoundly changed him.

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YOU CAN'T INCREASE MILITARY SPENDING, CUT TAXES AND BALANCE THE BUDGET. WE'D HAVE HUGE DEFICITS!!



1988 - 'VOODOO POLITICS'



finched and Gary Hart was entrapped did he take the possibility seriously.

not angered at the hatchet that landed in the center of the forehead in last week's debate, the question about the hypothetical rape and murder of his wife.

thing in determining campaign outcomes; this week, we can expect a Bush foreign policy to emerge that will clarify one genuine choice before us.

T.S. Eliot: Legislating Poetics With a Wink and a Chuckle

By Edwin M. Yoder Jr.

WASHINGTON—By Shelley's test the great romantic boldly pronounced that poets are "the unacknowledged legislators of mankind."

LETTERS TO THE EDITOR

Not-So Militant Israeli Party

Regarding the report "Israeli Arabs Reassess Labor Party Ties" (Oct. 11):

It is misleading to state that the Progressive List for Peace, an Israeli political party whose state of candidates for the coming elections is half Jewish and half Arab, "preaches a militant brand of Palestinian nationalism."

Remembering Imre Nagy

Regarding "The Eternal Conviction of Janos Kadar" (Oct. 10):

Flora Lewis's accommodating interview with Janos Kadar is disingenuous. Hasn't she ever heard of Imre Nagy?

Turkey's Asylum Tradition

Regarding "Next Steps for Turkey" (Opinion, Sept. 21):

Apparently, we Turks cannot escape the prejudices and misconceptions embedded in the West's subconscious.

Health Care Pragmatism

Regarding "Dukakis on Health Care" (Opinion, Sept. 23):

The Dukakis universal health insurance plan is not a cure-all. It is, however, a well-intended effort that probably aims in the right direction.

But They Both Spoke A Lot

Regarding "Dukakis Strikes Back at Bush on Patriotism" (Sept. 12):

Sam Rayburn of Texas was not, as stated, speaker of the House of Representatives from 1940 to 1957.

A Publisher's Smorgasbord

The Oct. 4 column, "McBooks: They Won't Serve Any That Require Chewing," notes a laudable trend in publishing: the more mergers, the fewer independent publishers and the fewer opportunities for authors and readers.

GENERAL NEWS

France Seeks New Role in East Europe

By Joseph Fitchett

PARIS—France plans to significantly expand its relations with East European nations to help them meet growing pressures for political and economic change and more independence from the Soviet Union, according to Foreign Minister Roland Dumas.



Roland Dumas

Mr. Dumas said, wanted to promote liberalizing trends and, at the same time, help ensure that change did not turn into upheavals that could strengthen opposition in Moscow to President Mikhail S. Gorbachev or create new East-West tensions.

Mr. Dumas, interviewed this weekend shortly after he had discussions in Paris with the Soviet foreign minister, Eduard A. Shevardnadze, said that the European Community needed to involve itself more deeply in developments in Eastern Europe at a time of improving relations between the Soviet Union and the United States.

He echoed other West European leaders in saying that Eastern Europe had entered a crucial period of transition in which the push for policy innovations could come into conflict with Soviet policies.

The East European nations — Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania — are bound together by political and economic alliances in the Warsaw Pact and Comecon.

The Soviet leadership, Mr. Dumas added, had been told about French intentions and seemed comfortable with the idea of a larger role for France and other West European nations in Eastern Europe.

France, Mr. Dumas said, could help these countries modernize their economies by providing management training and wider trading facilities.

At the end of next month, Mr. Mitterrand is scheduled to travel to the Soviet Union for meetings with Mr. Gorbachev.

Poland is the key country in any French strategy toward Eastern Europe because of strong ties between the two nations, but sensitivity in French public opinion about the fate of Solidarity, the banned trade union, means that Mr. Mitterrand will probably postpone any trip there until he has received assurances about the union's future.

As relations improve between the superpowers, Mr. Dumas said, "we mustn't leave people in Eastern Europe with the impression that we only talk to the emperor and not to the separate nations of the empire."

The European Community as a whole, particularly as it moves toward greater cohesion in 1992, must expand its ties to neighboring nations, including those in Eastern Europe, an aide added.

Bavaria Picks 2 to Fill Strauss Posts

MUNICH—The Christian Social Union on Monday gave two men the task of succeeding its late leader, Franz Josef Strauss, as party chairman and Bavarian premier.

Mr. Strauss, who died on Oct. 3 did not designate a successor, and officials of the rightist party decided that his two positions should be split to give more collective authority.

At a special meeting, they unanimously nominated Theodor Waigel, the party's chief representative in Bonn, as the only candidate for chairman. The party chose Max Streibl, 56, as the premier. He had been Mr. Strauss's deputy in the government for only four months.

Mr. Strauss died at age 73 from a failure of the heart and circulatory system. He had been chairman of the party since 1961 and premier since 1978.

Mr. Streibl, who assumed the duties of premier on the death of Mr. Strauss, is popular in Bavaria but will need to establish himself quickly to maintain the state's influence in federal politics.

Mr. Waigel was chosen more for his experience in the federal Parliament in Bonn than for his grassroots support in the state.

He was appointed a minister in the Bavarian government in 1970. Two years later he became a member of Parliament, taking over as the party's chief representative there in 1982.

Taiwanese Aide Resigns in Row

TAIPEI—The senior personal adviser to President Lee Teng-hui of Taiwan resigned Monday amid press reports of a high-level dispute over trade links with Moscow.

A statement from the presidential office said Shen Chang-huan, the president's secretary-general who twice served as foreign minister, left his job because of ill health.

The United Daily News reported Thursday that Mr. Shen opposed a visit to the Soviet Union this month by a trade delegation of 60 and raised his objections at a meeting of the governing Nationalist party's policy-making body.

Taipei has no diplomatic or direct trade links with the Soviet Union. The trade team went in a private capacity although it contained two government officials.

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Vertical text on the left edge of the page, including 'In This Part The Attack Is the Low' and 'Both East and West have ideas for more defensive defense'.

Supreme Court Rejects Appeal In Free Press vs. Security Case

The Associated Press
WASHINGTON — In a case involving press freedom and national security, the Supreme Court on Monday left intact the espionage and theft convictions of a former U.S. intelligence analyst who gave secret photographs to a British magazine.

The justices, without comment, rejected an appeal by Samuel L. Morison, who is serving a two-year prison sentence for giving satellite photos of a Soviet ship to Jane's Defense Weekly.

Newspapers in the United States have said the prosecution of Mr. Morison threatens the freedom of the press guarantees of the First Amendment. They argued that making it a crime to give information to news organizations would

impair the public's ability to learn about important national security matters.

Mr. Morison, grandson of the naval historian Samuel Eliot Morison, was convicted in October 1985 of giving to Jane's photos of a Soviet nuclear aircraft carrier under construction. The photos were taken by an American KH-11 reconnaissance satellite.

The government charged him with violating laws against espionage and stealing government documents. The 4th U.S. Circuit Court of Appeals upheld the convictions in April.

"The mere fact that one has stolen a document in order that he may deliver it to the press, whether for money or other personal gain, will not immunize him from re-



KURDS PROTEST IN BONN — A policeman detaining a Kurd in the West German capital who was protesting the visit of President Kenan Evren of Turkey, which began Monday. The Turkish authorities face a violent secessionist movement of Kurds. The Kurdish minority in Turkey is not recognized as an ethnic group and it is illegal to speak the Kurdish language.

Pact on Bases Assailed By Some Filipinos as Too Favorable to U.S.

By Keith B. Richburg
Washington Post Service

MANILA — Philippine political leaders and leftist groups on Monday sharply criticized the new agreement on the continued operation of two strategic U.S. bases here, saying the amount Washington pledged to pay is far below what the use of the two bases is worth.

Senate proponents of the bases said the level of compensation agreed to in Washington over the weekend will make it far more difficult to rally support in the Philippine Senate, where sentiment against the bases is strong.

The final agreement was not reached until Monday in Washington, and the pact was signed shortly afterward by Secretary of State George P. Shultz and the Philippine foreign secretary, Raul Manglapus.

"It is a very important achievement," said Charles E. Redman, the State Department spokesman. But there was frustration in Manila over the terms of the accord. Senator John Osmena, one of the few outspoken proponents of a continued U.S. military presence, said, "I'm very disappointed that we were not able to get compensa-

tion in the amount that we wanted."

"The people keeping a view like I hold are going to have a more difficult position," he said. "I think those of us in favor of a treaty past 1991 are going to have a lot of explaining to do in the next two years."

Under the terms of the preliminary agreement reached over the weekend, the United States will pay \$481 million in compensation for Clark Air Base and Subic Bay Naval Base for 1989 and 1990. A treaty to allow the bases to remain past 1991 must be approved by two-thirds of the Senate.

While most Filipinos seem in favor of keeping the bases, that sentiment is being increasingly challenged by growing nationalism. Many politicians and intellectuals maintain that the bases amount to an infringement on Philippine sovereignty.

Proponents of the bases note that the installations provide jobs for thousands of Filipino workers.

Some opponents of U.S. bases questioned a provision in the 1987 Philippine Constitution that calls for a ban on nuclear weapons on Philippine soil.

Senator Wigberto Tanada, the Senate's most outspoken critic of the bases, said he will seek immediate clarification over the nuclear provisions in the pact.

Mr. Osmena said that a higher cash compensation was urgently needed to help the country battle a tenacious Communist insurgency.

Senator Ernesto Maceda, chairman of the Senate defense committee, said that the amount agreed to by Philippine negotiators "confirmed that we cannot really stand up to Washington."

Various leftist groups denounced the accord Monday. The militant labor group Kilusang Mayo Uno, or May First Movement, called the agreement "treason of the highest order," and announced plans for a demonstration in front of the U.S. Embassy this week.

The \$481 million yearly for the bases amounts to \$300 million more than what the Philippines now receives, and represents a substantial increase.

Philippine officials have publicly stated throughout the often-tentative negotiations that they wanted at least \$1.2 billion a year for the bases, similar to what the United States provides to Egypt and Israel in aid.

Senator Heherson Alvarez said Filipinos expected to receive at least as much as Egypt and Israel because "in this country, we've always felt that we were the special brothers of Americans."

U.S. negotiators maintained that the \$1.2 billion figure was too high. In recent months, Pentagon officials for the first time began exploring other sites for the bases in case the negotiations failed.

The United States also agreed to a noncash element to the new accord, including a commitment by Washington to help the Philippines reduce its \$28 billion external debt.

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Iran Agrees to UN Peace Plan, but Sets Condition

The Associated Press
NICOSIA — The Iranian foreign minister said Monday that his country had agreed to a UN formula for carrying out a peace accord between Iran and Iraq, including dredging the waterway that lies between the two nations.

The official Iranian news agency, monitored in Nicosia, reported that the foreign minister, Ali Akbar Velayati, said Iran accepted the compromise formula for peace worked out by the United Nations secretary-general, Javier Pérez de Cuellar.

Mr. Velayati said Iran accepted the four-point plan on the condition that the 1975 agreement placing the border in the middle of the waterway be maintained. Iraq has rejected this condition in the past, and there was no immediate reaction from Baghdad to the Iranian's announcement.

The waterway in the northern Gulf is known to Iraq as the Shatt al Arab and to Iran as the Arvand River.

Mr. Velayati said that the four

conditions to which Iran agreed included the withdrawal of all forces to international boundaries; refraining from searching ships in the Gulf; exchanging prisoners of war, and dredging the waterway.

The peace talks had stalled after they started Aug. 25 over Iraq's insistence that the waterway be dredged. Iran had rejected the demand, saying it was a secondary issue that could be settled later.

Work at U.S. Embassy
Alan Cowell of The New York Times reported from Dubai, United Arab Emirates:

Iranian travelers in Dubai have reported that Revolutionary Guards have been withdrawn from the U.S. Embassy in Tehran and that the complex is being refurbished. Western diplomats said Monday.

There was no immediate means of verifying the reports. The embassy was seized by radical students during the 1979 revolution and American hostages were held there until the end of the Carter administration.

In recent years, Western diplomats said, Iranian Revolutionary Guards have used the complex as a form of military academy, according to Western diplomats who declined to be identified by name or nationality.

One week before the Aug. 20 cease-fire in the eight-year war between Iran and Iraq, a diplomat said, Iranian travelers in Dubai began to report that the Revolutionary Guard School had been closed and the complex was empty.

Dubai has close historical and trading links with Iran. Many Iranian families settled in this small emirate on the Gulf in the 19th century and maintain ties with relatives in southern Iran.

Some of those were among the dead when a U.S. warship shot down an Iranian airliner last July. "Work has been under way on refurbishing the embassy," a West-

ern diplomat said. The grounds had been tended and walls repaired, the diplomat said.

"Most importantly, the perimeter wall along the main street which had been the focal point of 'Death to America' slogans has been pointed over," the diplomat said.

The Iranian travelers, who he declined to identify by name, had said there were rumors in Tehran that the building would be handed over to the Swiss or Canadian Embassy.

Uganda Airlines Jet Crashed On Its 3d Attempt to Land
The Associated Press
ROME — The pilot of a Uganda Airlines jetliner that crashed early Monday, killing 31 people, tried at least twice to land in thick fog at Rome's main airport before hitting houses and trees, the authorities and passengers reported.

The Boeing 707 missed the runway at Leonardo da Vinci Airport by several hundred yards. It first tore through a wooden house, then demolished a brick house under construction and plowed through the parking lot of a car rental agency, where an engine and a wing were torn off and a fire destroyed 75 cars, the authorities said.

The airport is near the seaside town of Fiumicino, 21 miles (35 kilometers) southwest of Rome.

Twenty-one survivors in the plane were injured. Only one injury was reported on the ground, an occupant of the wooden house who was hit by debris.

The majority of those aboard were Ugandan citizens. The British Embassy in Rome reported that the passenger list included seven or eight British citizens. Two Nigerians were listed among the injured.

The Uganda Airlines Flight 775 was arriving from Gatwick Airport near London and was scheduled to fly on to Entebbe in Uganda.

The Italian news agency ANSA said the jet was making its third attempt to land when it crashed.

A passenger said a flight attendant told him shortly before the crash that the aircraft had made one attempt to land, was forced to circle because of the fog and was about to try another landing.

The passenger, John Hargy, a former Ugandan ambassador to the Vatican, said from his hospital bed that there was a violent collision and that he found himself upside down, strapped in to his seat.

Haiti Reports Foiling Coup Plot Against General
The Associated Press
PORT-AU-PRINCE, Haiti — The military government said Monday that it had foiled an attempted coup against Lieutenant General Prosper Avril by two military officers during the weekend.

Radio Soleil said that "several soldiers were wounded" and that 30 soldiers were arrested in the coup attempt early Sunday. It gave no further details.

A government spokesman, Frantz Lubin, said the coup was led by Sergeant Patrick Frantz Bochart and Samuel Jerome, a former colonel who escaped from prison after the Sept. 17 coup that brought General Avril to power.

On Sept. 17, rank-and-file soldiers ousted the Haitian ruler, Lieutenant General Henri Namphy, and installed General Avril as president. Mr. Lubin said he had no further information on the coup attempt.

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ARABS: Gulf States Seek to Restore Links With Iran

(Continued from Page 1) Saudi Arabia and Kuwait to have relations with Iran," he said. The cease-fire produced divergent initial responses among those same, oil-rich Gulf nations, notably Saudi Arabia and Kuwait, that poured an estimated \$30 billion into the Iraqi war machine.

While Kuwait, small in size and rich in oil, sent two diplomats to Tehran to restore normal relations, Saudi Arabia recently ordered the public beheading of four saboteurs purportedly sponsored by Iran. The Saudi press maintained strong criticism of Tehran.

The executions last month of four Saudi nationals accused of pro-Iranian sympathies, Mr. Varsi said in London, represented "a warning to Iran" that Saudi Arabia would not be lax in countering perceived subversion. Saudi Arabia is the biggest oil producer among the six Gulf states that form the Gulf Cooperation Council, whose oil ministers met in Riyadh on Sunday night.

SERBS: A Mild Meeting

(Continued from Page 1) Serbs condemned divisive nationalism and promised adoption of far-reaching economic and political changes, as well as changes in the party itself. But other than endorsing the introduction of principles of a market economy, which were first promised in 1965, greater democracy and moving from a one-party state toward a system in which no party would control the government, no specific policies were outlined.

REFORM: In Estonia Experiment, Prospects and Perils of Perestroika

(Continued from Page 1) Estonia next year will become the first Baltic republic to revert to what people here call "real time," one hour behind Moscow. The Baltic republics have been on Moscow time ever since they were forcibly incorporated into the Soviet Union in August 1940 under a secret pact with Nazi Germany.

Recent developments in Estonia provide a forecast of what might happen in the rest of the Soviet Union if ordinary people respond to Mr. Gorbachev's call to wake up from decades of apathy. But they also contain a warning to the Kremlin of the centrifugal forces that could be unleashed in the Soviet Union if political controls are lifted.

Other Estonians offer more mundane reasons for the strange events in the republic. They argue that Estonia's new Communist leaders are trying to co-opt the political mainstream as represented by the Popular Front. By doing so, they in effect undercut support for the more radical pro-independence groups.

positions on everything short of outright independence. Popular Front leaders, meanwhile, are aware of the need for restraint. Privately, they criticize Armenians for making unacceptable demands of the Kremlin. They also maintain that the 1980-81 Solidarity movement in Poland failed to achieve its goals because its leaders lost their sense of realism.

CAMBODIA: Khmer Rouge Is Prepared to Fight On

(Continued from Page 1) boycotted the meeting. The Associated Press reported from Jakarta. ASEAN is to propose a draft resolution on Cambodia at the United Nations this week that differs from the one it has offered every year for the last eight years. The resolution will urge the international community for the first time to work toward "the return of the universally condemned policies and practices of a recent past," while not precluding Khmer Rouge participation in a government of national reconciliation under the leadership of Prince Norodom Sihanouk.

August the Khmer Rouge announced a peace plan for Cambodia that would prevent any single political group of armed force from becoming dominant. Analysts said that an announcement by Vietnam in May that it would withdraw half of its 100,000 to 120,000 troops from Cambodia by the end of 1988, and the remainder by the end of 1990, has aroused fears, particularly in Western countries, that the Khmer Rouge would be able to reassert control.

The two non-Communist Cambodian groups that have been in loose coalition with the Khmer Rouge since 1982 have complained repeatedly that their guerrillas have been attacked by Khmer Rouge troops, who outnumber them by about two to one and fight much more effectively. Western military experts also say that the 40,000 regular soldiers in the army of the Phnom Penh government are no match for the Khmer Rouge.

CHINA: Government Reimposes Controls on Economy

(Continued from Page 1) establishes in northern cities remain unchanged this winter and that the price farmers can charge for grain be fixed. Even products whose prices are no longer fixed by the state are to be subject again to control, Mr. Cheng said. He also ordered that localities be given no further discretion in over-seeing prices and that the central government's role in fixing prices be strengthened.

In Beijing, Mayor Chen Xitong announced that there would be no price increases on any staple goods for the rest of the year. He mentioned grains, cooking oil, meat, eggs and sugar, all products now rationed in the capital. The mayor also called for a crackdown on "speculation and profiteering" by city-run companies, according to an article in the Beijing Daily.

Local governments and party organizations are noted for their free spending. National and regional newspapers have been filled with articles about local officials using public funds to buy luxury goods for their departments. Moreover, it is increasingly common for local officials to use their influence and purchasing privileges to help private companies in which they have an interest.

Across the country, a vast array of businesses — hotels, restaurants, tour companies, taxi fleets, commodity trading companies and light industries — are run as profit centers for assorted party, government or military entities. The government announced that it would begin a sweeping review of such companies and that many would be closed.

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China Seeks to Trace Currency Diversions

BEIJING — China, as part of its drive against corruption, plans to trace foreign currency that has been channeled into private overseas bank accounts, People's Daily reported Sunday. The official daily quoted Finance Minister Wang Bingqian as saying that coastal regions, which have led China's economic changes and account for much of its foreign trade, would be a focus of a sweeping review of state-run companies.

China and the Khmer Rouge have raised strong objections to the new draft resolution, said Siddhi Savetsila, Thailand's foreign minister. China and the Khmer Rouge have told ASEAN officials that the wording of the resolution will divert attention from what they regard the cause of the problem, Vietnam's invasion and occupation. Beijing also pointed out that in

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ARTS / LEISURE

Sonia Rykiel: Winning at Life



Sonia Rykiel in a photograph by Dominique Isserman.

PARIS — Sonia Rykiel is 30 years young. The enigmatic, flame-haired designer...

hand-in-rhinestone glove with the women's movement. For Sonia Rykiel, all French designers...

"I came from an era when things were not made for women," she explains. "When I appeared on the scene, I seemed like someone that women had been waiting for."

Fashion liberation for her meant sweaters, skirts and pants in soft fabrics, "nonviolent" clothes that "never turn against the body or attack it." Her fluid designs in knit, crêpe and jersey were impressed on the fashionable public by her collaborator, Dominique Isserman...

a fashion photography show at the Musée des Arts de la Mode in Paris. Sonia Rykiel took up fashion out of frustration with rigid and prissy maternity clothes...

She sits coiled up in a black chair in her black office, her bird-like frame enfolded in a black sweater with gold buttons, skinny skirt, opaque tights, black satin shoes. The daylight from the deep window gives the enshrining layers of her beloved black different textures and depth. "Black is easy," proclaimed one of the earliest sweaters with words superimposed — a fashion idea which has become Rykiel's signature.

"I am red-haired and that is already a strong color," she says. "I have the idea that if I wear black, people will keep an image of my head, my hair, my face." Sonia Rykiel is given to wild, poetic statements, that might sound pretentious if she were not so intelligent. "Mourning," she pronounces,

"is not in black crêpe but in the heart." "The woman I celebrate lives with both happiness and despair, and cannot live without them both."

Her early collections, shown to a crammed audience in her left Bank boutique on the Rue de Grenelle in the early 1970s, were accompanied by Madame Rykiel, posing in black knits and a cloud of tulle hair, reading poetry. She stopped all that, she says, when she started writing. Her first book "Et je le voudrais nue" ("And I Would Like Her Naked") was published in 1979.

Writing freed Rykiel from the limitations of her métier compared to the professions of her four formidable sisters: one a psychoanalyst, another a professor and classicist. She was decorated with the "Croix des Arts et des Lettres" in 1983.

"Now I accept that fashion is my discipline," she says. "What is important is to be a witness to an era. To be aware of politics, the social and intellectual circumstances. I knew that something was bubbling around me at that time, with the women who could take pleasure in life. You felt that you could breathe in my knits. But the clothes weren't free enough. That is why I wrote them."

There are other, less meaningful messages: "STAR" shone royal blue letters on the waistband of a skinny black sweater; "OPERA" traced round a décolleté neckline; "VIP" says the headline of a racy short skirt. "ARTIST" is written with the letter "S" hissing out in scarlet. The one-liners are sharp, saucy and quintessentially French. Although Sonia Rykiel, born to a Russian Jewish family, claims to have the spirit of a Slav, as a designer, she is a Parisienne.

A typical Rykiel outfit, with its

bugging sweater and elongated cardigan offers a Gallic blend of comfort and coquettishness which has world-wide appeal. The skinny silhouette supports a mighty empire which includes American boutiques in New York, Houston, Texas, Beverly Hills and Chicago, during the 1980s, as well as stores in Montreal, Brussels and Monte Carlo. A cosmetic line, first developed in Japan, where Sonia Rykiel has a flourishing business, is being launched in Paris this month as part of her 20-year celebrations.

Rykiel is engagingly frank about her vanity. "When I am working at home, I get up 10, 15 times to look in the mirror and to do my hair, as though the image that I see can impregnate what I am doing," she says. Her office is filled with mirrors, reflecting the red hair, pale pink face, and the fuchsia pink and geranium reds of her Night and Day makeup range.

When Rykiel produced her first sweater collection in the 1960s, the taut shoulders and sparrow-bodies recalled an earlier, strong woman designer: Coco Chanel. "I knew that something was bubbling around me at that time, with the women who could take pleasure in life. You felt that you could breathe in my knits. But the clothes weren't free enough. That is why I wrote them."

Chanel, she says, made suits that expressed a softness and fragility in women. "I have a great respect for male designers, because they do not have an image of themselves in their heads, so that they can go further than a woman designer," she says. "In embroidery, for example, they have no restraint, whereas I will stop. I do not believe that I can build a suit as a man can. There is a form and a strength in a suit that has to be created by a male designer."

As "queen of the knits," Rykiel's most difficult fashion period was when androgynous fashion ceased women in power-shouldered suits



Opposite Page: From the book "Rykiel" (Hachette)

The use of words on sweaters is one of Rykiel's witty trademarks.

and her sinuous sweaters looked out of line. Now that fashion has drawn closer to the body and modern women no longer feel the urge to deny a female identity, Rykiel has picked up that dropped fashion stitch. She talks of "a new classicism and purity," of simple clothes warmed with witty accessories.

She is not frightened of aging and is especially proud of the woman she has created: Her daughter Nathalie works in the company, and granddaughter Tatiana's drawing is displayed on the black marle mantlepiece, alongside the certificate of the Legion d'Honneur, given in 1985. "Being a grandmother is a bigger emotion than having your own

baby," she says. "It enlarges the circle. Lots of my friends won't admit to being a grandmother and are called by their first names, but Tatiana and Lola call me 'Mamie.'"

It is hard to believe that Rykiel plans to grow old sedately. She stitches into her knits her own lusty enthusiasm for life. She loves "everything that adds to life — a good St. Emilion, bitter chocolate, men." Her vice is gin rummer, when she displays a aggressive male desire to win "not for the money, but for pleasure." "Playing games is one of the great gestures of seduction," she says. "And women should always play to win."

Table with columns for fund names, symbols, and prices. Includes sections for International Funds and Other Funds.

Is Elvis Haunting Vicksburg, Michigan?

By William E. Schmidt, New York Times Service

VICKSBURG, Michigan — If Elvis Presley faked his own funeral and has been hiding out somewhere for the last 11 years, Ann Dinsik figures he could do a lot worse than Vicksburg.



Elvis in 1974

He'd need a place like this, kind of out of the way and quiet where he wouldn't be bothered much," said Dinsik, talking from behind the counter at the Mall Shoppe, an ice cream parlor in this town of 2,800 people in southwestern Michigan.

"I mean, look at the way people are," she added. "They wouldn't even let the man be dead." There has been a lot of talk like that over the last year in Vicksburg, ever since a local woman, Louise Welton, began telling anyone who would listen that she saw Elvis Presley — she says she is absolutely certain it was he — standing in checkout line No. 2 one Sunday afternoon at Felpausch's Supermarket.

He was wearing a white jumpsuit, she said, and paying for an electrical fuse. "I was so dumbfounded I I couldn't speak," she says. She remembers that he seemed nervous, as someone might who had something to hide.

She went straight to the editors at The Commercial Express, the weekly newspaper in town, but they didn't believe her. Neither did reporters at The Kalamazoo Gazette.

But she found an ear at The Weekly World News, a supermarket tabloid published from Lantana, Florida.

"Elvis is Alive!" the newspaper bannered in an edition last May. "The King admits his funeral was faked and tells of secret life in Michigan!"

They printed it all, not only that Elvis shopped at Felpausch's, but was seen eating at a nearby Burger King and was probably living in an old hotel in downtown Kalamazoo, about 10 miles (16 kilometers) away.

Now, it is true that the overwhelming majority of the people who live in Vicksburg and up in Kalamazoo never did put much stock in these stories.

They are willing to accept that the rock and

roll singer died on Aug. 16, 1977, and is in fact buried on the grounds of Graceland mansion in Memphis.

Still, no matter how spurious the reports, no matter how ridiculous the possibilities, the story put Vicksburg, as they say, on the map.

Radio stations and disk jockeys from California to New York called Felpausch's, demanding interviews with clerks.

In Kalamazoo, someone filed petitions nominating Elvis Presley as a Republican candidate for precinct delegate, and Mayor Ed Annen filed telephone calls from reporters across the country.

Annan said, "I told them that everyone knows this is where he lives and that they should send their residents here to spend tourist dollars to find him."

With the news in Vicksburg that Elvis had patronized Felpausch's, a rival supermarket put out its own sign: "Jimmy Hoffa Shops Here."

The Main Street restaurant introduced "Don't Be Cruel" bean soup on its menu. Next

door, a dentist advertised: "The King gets regular checkups here."

As it turns out, what happened in Vicksburg was only an early symptom of a much wider Elvis mania that in recent months has resulted in a barrage of other sightings and dubious reports, circulated in the tabloid press: grainy telephoto pictures of a man said to be Elvis standing in a Las Vegas parking lot; the purported discovery by astronomers of a statue of Elvis on Mars.

Then there was the book published earlier this year by an Atlanta woman, in which she offers evidence that Elvis, exhausted and overwhelmed by his fans, sought his own death and funeral in 1977, and went into hiding.

Wellington says the book, certainly, persuaded her; she believes he still lives in the area, but has now adopted a beard as a disguise.

Down at Skip Knowles's Main Street insurance agency, all talk about Elvis is dismissed as an amusing diversion.

Not that Elvis, a country boy himself from Tupelo, Mississippi, would not like Vicksburg, especially in fall, when the big oaks and maples have turned a brilliant russet and gold, and leaves drift like snow across the smooth surface of Sunset Lake.

Last summer, at the town's annual antique car festival, Mr. Knowles even sponsored an Elvis look-alike competition, to have fun with Vicksburg's new fame.

He says he will never forget the winner: a slightly paunchy man who looked enough like Elvis Presley to be him.

He showed up for the competition in a white satin jumpsuit with a wide white belt, and as he swung his hips and lip-synched some of the King's hits, he wiped his brow with scarves he then threw into the audience.

"Some of the girls went nuts," said Mr. Knowles. "They were up there dancing with him."

What was the man's name, a reporter then asked? "Mr. Knowles stared off into space for a moment. 'You know,' he replied. 'I don't think he ever told us.'"

There was another long pause. "No," said Mr. Knowles, finally. "No, I don't think so."

U.S., Russia Sign Visual-Arts Exchange Pact

By Esther B. Fein, New York Times Service

MOSCOW — An agreement signed by the United States and the Soviet Union will enable visual arts specialists from the two

countries to share their archives, conservation workshops and museum collections.

"After a long period of closed relations and lack of understanding we will finally have the opportunity

to get acquainted with one another's riches," said Dmitri S. Bisti, vice president of the Soviet Academy of Arts. "The most important thing about this agreement is that we are no longer enclosing ourselves inside our academies."

The U.S.-U.S.S.R. Commission on the History, Theory and Practice of the Visual Arts and Architecture, which was established here last week, will be administered by the International Research and Exchange Board, or IREX.

The five-year agreement will also ease exchanges of young artists and faculty and sponsor joint symposiums and research on Soviet and U.S. art.

The commission's activities begin with a symposium at the Parsons School of Design in New York Friday and Saturday on "The Education of the Artist in the U.S. and the

paco rabanone Collection Prêt à Porter Eté 1989 Club St James 5, place du Chancelier-Adenauer, 75116 Paris Sur invitation

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TUESDAY, OCTOBER 18, 1988

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WALL STREET WATCH

'Small Companies' Stocks Are Wall Street Orphans

By ANISE C. WALLACE
New York Times Service

NEW YORK — Earlier this year, professional investors eagerly bought stocks of small companies, those with stock market values of less than \$500 million. The prices of the securities of these companies soared in the first quarter. But in the third quarter, investor sentiment suddenly shifted away from these stocks and the mutual funds that invest in them, and they became Wall Street orphans.

Prices of many of the small stocks peaked in late June and then fell off in the third quarter. And for the first time this year, the performance of these issues lagged behind the stocks of the larger blue-chip companies.

The Standard & Poor's 500-stock index of big industrial and financial issues was up 0.33 percent for the three months ended Sept. 30. The Nasdaq composite index, made up of hundreds of issues trading over-the-counter, dropped 1.76 percent.

But an average of the results of 67 growth stock mutual funds specializing in smaller companies fell in more, dropping 2.48 percent as measured by Lipper Analytical Services.

"People are seeking safety in the larger stocks," said Richard A. Freeman, portfolio manager of the Shearson Lehman Small-Cap Fund, a \$13 million mutual fund that invests in stocks of smaller companies. The fund's return was up 30.7 percent in the first nine months of this year.

Indeed, when the Dow Jones industrial average shot up more than 40 points on Oct. 7, the smaller issues barely budged. Yet despite the recent shift, the small stocks and small-stock mutual funds remain the market leaders for 1988's first nine months, reflecting their strong first half.

"We had a great six months," said John W. Rogers Jr., president of Ariel Capital Management in Chicago. It invests more than \$500 million in small stocks, and its Ariel Growth Fund is still up 35.5 percent for the year.

"Frankly, I thought it would last longer than it did," Mr. Rogers said of the small-stock surge. In the quarter, the fund was down 0.22 percent.

Small-company stocks led the field in the first half of this year.

Behind the change in the third quarter were two key developments.

When a handful of technology companies such as Seagate Technology and Apollo Computer began reporting weaker-than-expected earnings in July, prices of many technology stocks dropped in sympathy as investors moved out of the sector.

"The devastation was across the board," said Morris J. Smith, portfolio manager of the \$900 million Fidelity OTC Fund.

In addition, after the strong advance of small-company stocks earlier this year, investor sentiment shifted over the summer to deep pessimism on these issues, some of which trade on the New York and American Stock Exchanges as well as over-the-counter.

"What's happened is all that sentiment has evaporated," Mr. Smith said. Even though pension funds are still directing some assets into these stocks, individual investors, who usually account for most of the trading in the smaller-company issues, have virtually ignored such stocks since the market collapse a year ago.

For instance, the \$23 million Integrated Resources Aggressive Growth Portfolio, whose 52-percent gain in 1988's first nine months has made it the second-best performer of all stock funds.

See SMALL, Page 12

EC Prepares to Define the Rules for Those Who Fear a Fortress Europe

Reuters

BRUSSELS — The Commission of the European Community, the 12-nation grouping's executive body, this week is to reply to fears that the planned abolition of internal EC trade barriers would create a Fortress Europe, closed to foreign goods and services.

The EC's trading partners will be looking in particular for indications of how far the commission intends to push its demand for reciprocity in access to markets, especially in financial services, and what exactly it means by the term.

The 17-member executive body on Wednesday is to debate for the first time how open the unified internal market should be to its trading partners. The EC aims to abolish all internal trade barriers by the end of 1992.

The outcome will be closely analyzed by major trading nations such as the United States, Japan and the six-member European Free Trade Association, which are increasingly concerned about their access to the EC after 1992.

Fresh international trade tensions could be in the cards if they judge that the community is becoming protectionist.

"The \$64,000 question is whether or not it will be a Fortress Europe, where they'll be free traders internally and protectionist externally," the U.S. trade representative, Clayton K. Yeutter, said last week.

He warned that although his EC counterparts assured him they had no desire to be protectionist, "there are a lot of people in the bureaucracy" involved in the process of drafting regulations "who seem to be moving in a counter-direction."

The commission's debate is to be based on a paper setting out the broad principles that would guide the EC's external trade policy in coming years, commission sources said.

"The hope is that the commission will agree on a common formula," said a source closely involved in its drafting. "Then the document can serve as an answer to the many questions about the internal market that we are getting from outside."

But the sources differed sharply over whether the paper would allay the fears of a protectionist Europe, or fuel them.

"I don't see why the commission should suddenly become protectionist," said one source. "We have no intention of changing the rules."

But another source said that the paper contained elements that could be explosive for trade relations.

Proposals put forward by the commission at the start of the year foresee that foreign banks would be allowed to set up in the community only if EC banks were offered reciprocal treatment by authorities in a foreign bank's home country.

The plan has yet to be discussed by EC ministers, who will have the final say. But it has already drawn heavy criticism from the United States, Japan and other non-EC countries.

The president of the New York Federal Reserve Bank, E. Gerald Corrigan, has warned that reciprocity rules could spark "very, very nasty" retaliation.

Proposals on the handling of non-EC banks have been surrounded by controversy and confusion since the commission's adoption in January of a draft Second Banking Directive.

Under the draft directive, foreign banks would be allowed to enter Europe only if community banks are offered reciprocal treatment, a principle that is undefined.

Broad principles laid down by the draft directive say that from 1992, a foreign bank wanting to set up in any one of the 12 EC states would have to apply for a "single banking license."

Elders Launches Bid for Scottish Brewer

Compiled by Our Staff From Dispatches

LONDON — Elders Ltd., the Australian brewing company known for its Foster's lager, launched an unsolicited £1.44 billion (\$2.53 billion) takeover bid on Monday for Scottish & Newcastle Breweries PLC, which rejected the offer as inadequate.

Elders, which already owns 9.65 percent of Scottish & Newcastle, is bidding for the additional stock in the brewing company through its British pub chain, Courage Ltd. The bid values the entire company at £1.6 billion.

Scottish & Newcastle stock soared 76 pence to 427 pence on the London Stock Exchange after the announcement. The stock later subsided to close at 407 pence. Analysts said Elders might have to raise its bid to at least 450 pence in order to acquire the company.

The bid also helped drive up the price of Allied-Lyons PLC, which gained 2 pence to 490 pence, although it had traded as high as 518 earlier in the day.

Dealers said there had been heightened speculation that Bond Corp. Holdings, another Australian brewer that holds 11 percent of Allied, might follow Elders with a bid for a British company. But the rise lost impetus on further consideration of Allied's improved demographics, following a recent share swap with Suntory Ltd. of Japan.

The Elders bid for Scottish & Newcastle offers shareholders a choice between 400 pence a share in cash or bonds convertible to



John D. Elliot, CEO of Elders, brewer of Foster's lager.

Elders owns brewing operations in Australia, Canada and Britain and has interests in the agribusiness and financial sectors. It also owns a small stake in Anheuser-Busch Co. of the United States.

John D. Elliot, chief executive of Elders, indicated earlier this year that the company planned to move its brewing interests out of Australia.

See BREWERS, Page 12

U.S. Offers Loan Of \$3.5 Billion To Aid Mexico

Reuters

WASHINGTON — The U.S. Treasury said Monday it was ready to make an emergency loan of up to \$3.5 billion to Mexico, the Third World's second largest debtor, which is suffering from a sharp fall in oil revenues.

Mexico, which owes about \$100 billion in foreign debt, stands to lose about \$1.5 billion in income this year because of the recent drop in oil prices, according to Mexican government officials.

"The U.S. Treasury and Federal Reserve are prepared to develop a short-term bridge loan of up to \$3.5 billion, depending on the development of loan programs by Mexico with the World Bank and the International Monetary Fund," a U.S. statement said.

The outgoing Mexican president, Miguel de la Madrid, ordered the Finance Ministry over the weekend to negotiate new foreign loans to compensate for the drop in world oil prices.

Separately, the president-elect, Carlos Salinas de Gortari, has extended until the end of 1988 a freeze on prices, wages and foreign exchange rates. The freeze has brought a sharp fall in inflation this year.

Although Mexico has managed to reduce its dependence on oil revenues in recent years, oil still accounts for about a third of its export income.

The government had budgeted for an average 1988 oil price of \$16.04, which would have earned it \$7.4 billion but that projection has now been scaled back to an average of just under \$12 a barrel — bringing a likely loss of \$1.5 billion.

The price of Mexican crude oil averaged just \$9.60 a barrel in the first half of October, although oil prices have since recovered somewhat since then.

Rising interest rates are likely to add another \$1.5 billion to the cost of servicing Mexico's foreign debts this year, officials said.

The U.S. Treasury said Mexico deserved help because of the economic reforms it was making.

Mexico has recently taken steps to make it easier for foreigners to invest in the country, reduce government payrolls and sell some government-owned businesses.

The swift response to the Mexican government's decision to seek

new foreign loans undermined the importance that the Reagan administration attaches to helping its neighbor maintain economic and political stability.

Even before the latest collapse in oil prices, Mr. Salinas was facing a tough economic and political challenge.

Handpicked by Mr. de la Madrid, Mr. Salinas was elected president in July with the slimmest margin of victory in the ruling Institutional Revolutionary Party's six decades in power.

Political analysts said the narrow margin of victory largely reflected frustration with years of belt-tightening, which have reduced inflation-adjusted wages by 40 percent since 1982.

But the details of an agreement between Mr. Salinas and labor, business and peasant leaders published in Mexican newspapers Monday said the recent decline in the international oil market meant economic discipline had to be maintained.

It said an economic solidarity pact, which went into effect in April, had been responsible for the lowest monthly inflation rate in 12 years in September.

Mexican inflation, which peaked in February at a yearly rate of almost 180 percent, dropped to 94.8 percent for the 12 months ending in September. That month it registered a rate of just 0.6 percent.

Mr. Salinas takes over from Mr. de la Madrid, beginning a six-year term as president, on Dec. 1.

Small-Company Stocks Led the Field in the First Half of This Year

The SMALL-COMPANY funds followed by Lipper Analytical Services were the best-performing sector for the first nine months, returning 19 percent on average. The average general stock fund was up 12.7 percent.

Behind the change in the third quarter were two key developments.

When a handful of technology companies such as Seagate Technology and Apollo Computer began reporting weaker-than-expected earnings in July, prices of many technology stocks dropped in sympathy as investors moved out of the sector.

"The devastation was across the board," said Morris J. Smith, portfolio manager of the \$900 million Fidelity OTC Fund.

In addition, after the strong advance of small-company stocks earlier this year, investor sentiment shifted over the summer to deep pessimism on these issues, some of which trade on the New York and American Stock Exchanges as well as over-the-counter.

"What's happened is all that sentiment has evaporated," Mr. Smith said. Even though pension funds are still directing some assets into these stocks, individual investors, who usually account for most of the trading in the smaller-company issues, have virtually ignored such stocks since the market collapse a year ago.

For instance, the \$23 million Integrated Resources Aggressive Growth Portfolio, whose 52-percent gain in 1988's first nine months has made it the second-best performer of all stock funds.

See SMALL, Page 12

New Leaders for Hong Kong Bourse

By Steve Vines
Special to the Herald Tribune

HONG KONG — Members of the Hong Kong Stock Exchange closed the door Monday on their former, scandal-plagued management committee and cast votes for a new panel one year after the exchange staged investors by closing amid the global plunge in equities.

On Tuesday, the 16-member committee is expected to take office. Sir Qiu Wei Lee, head of Hang Seng Bank, as chairman, Francis Yuen, managing director of the brokerage Citicorp Securities, was slated to take over as the new chief executive. He would replace Robert Fell, the former chief executive of the London Stock Exchange, who acted as chief executive on a temporary basis.

The new committee includes only four previous exchange office holders. Gone from the line-up are the exchange's founding chairman, Ronald Li, and his successor, Charles Sin, both of whom face bribery charges stemming from an investigation into new listings on the exchange. Six other senior exchange officials were also involved in corruption charges.

The final step in purging the committee follows a year in which the Hong Kong exchange was rocked by scandals, and the volume of trading slumped to less than half its pre-collapse levels. As a result, the government demanded that the exchange alter its method of electing members, doing away with the system that ensured domination by small,



Floor traders on the Hong Kong Stock Exchange, which picked new leaders Monday, one year after its controversial closing.

\$11 Billion Bid For Kraft Inc.

Compiled by Our Staff From Dispatches

NEW YORK — Philip Morris Cos. on Monday launched an \$11.5 billion cash tender offer for Kraft Inc. that, if successful, would be the second-largest corporate acquisition in U.S. history.

Philip Morris is offering \$90 cash for Kraft shares, which closed Monday at \$60.125, up 62.5 cents on the New York Stock Exchange. The bid was announced after the market closed.

The tobacco giant, the biggest in the United States, said that it had no plans to sell off any parts of Kraft to finance the deal. It asked Kraft to drop a bylaw provision aimed at staving off unfriendly takeovers and asked to meet with Kraft management as soon as possible.

Philip Morris also said that it is willing to negotiate all aspects of its offer.

Kraft is the biggest U.S. food company. Known for these products such as Velveeta, Kraft earlier this year sold its Duracell batteries unit for \$1.8 billion in cash, in order to concentrate on food.

The takeover, if successful, would be the biggest since the \$13.4 billion purchase of Gulf Corp. in 1984 by Standard Oil Co. of California, which later changed its name to Chevron Corp.

In a letter to John M. Richman, the Kraft chairman, Hamish Maxwell, chairman of the board of Philip Morris, said, "Kraft's food business complements our food business. Kraft possesses excellent trademarks and competes in segments of the food industry in which we are currently not transacted."

He said that the transaction would create a U.S.-based company with a larger portfolio of leading trademarks and broad distribution and manufacturing capabilities "which can more effectively compete in world food markets." Philip Morris bought General Foods, the big U.S. food company in 1985.

Combined sales of Philip Morris and Kraft would be about \$35 billion a year.

The offer is to begin formally on Tuesday and is scheduled to expire at midnight on Nov. 15.

[Reuters, AP, UPI]

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Currency Rates

Cross Rates	Oct. 17
Amsterdam	2.362
Bangkok	21.98
Frankfurt	1.823
London (L)	1.000
Madrid	169.80
New York (NY)	1.000
Paris	6.545
Tokyo	166.55
Zurich	1.51
1 BCU	1.000
1 DM	1.000

Changes in London, Tokyo and Zurich. Rates in other centers. New York closing rates. Oct. 17. A.M. not available.

Other Dollar Values

Currency	Per \$	Currency	Per \$
Africa, central	12.12	Philippines	4.28
Asia, central	12.12	S. Africa	22.68
Asia, south	12.12	Spain, peseta	166.64
Baltic, R.S.	20.28	Sweden, krona	4.22
British crown	482.24	Switzerland	75.24
Canada	1.285	Taiwan	23.10
China, yuan	2.22	Thailand, baht	19.81
France	6.545	West Germany, DM	1.000
Germany, DM	1.000	Yugoslavia, dinar	23.10

Forward Rates

Currency	30-day	60-day	90-day
Canada	1.285	1.285	1.285
Japan	166.55	166.55	166.55
Switzerland	75.24	75.24	75.24
West Germany	1.000	1.000	1.000

Sources: Reuters, Bank of Tokyo, Citicorp, Credit Lyonnais, etc.

Icahn Says Talks on Eastern Failed

Compiled by Our Staff From Dispatches

NEW YORK — The financier Carl C. Icahn said Monday that talks with union officials that could have led to a bid to merge Texas Air Corp.'s Eastern Airlines with his Trans World Airlines Inc. have ended.

"The talks have definitely ended. It's a shame because I really believe TWA and Eastern could have made a super airline, and it also could have ended the strife," Mr. Icahn said.

Eastern has been unprofitable and labor relations have been poor since Texas Air bought the company in 1986. Texas Air also owns Continental Airlines.

Mr. Icahn, who is chairman of TWA, confirmed reports that he was granted an exclusive right to

make a proposal to Frank Lorenzo, the chairman of Texas Air, to buy Eastern this week. He said he now has no plans to meet with Mr. Lorenzo.

Sources familiar with the talks between Mr. Icahn and the unions have said the issue of wage and work-rule concessions seems to have been a problem in the talks.

A union leader said Sunday that the talks were constructive and that another round of negotiations was still possible. Other sources echoed that sentiment on Monday.

Sources said Mr. Lorenzo gave Mr. Icahn until the end of this week to make an offer for Eastern, after which other parties could come forward.

Last week, Donald J. Trump, the developer and casino operator,

agreed to buy Eastern's shuttle operations linking New York with Washington and Boston for \$365 million.

Texas Air executives have indicated that Eastern, minus its profitable shuttle, would be worth around \$1 billion.

In addition to Mr. Icahn, other parties that have expressed an interest in buying the rest of Eastern include TWA President Joseph Corr, who is a close associate of Mr. Icahn, and a group of insurance companies.

[Reuters, AP, NYT]

Interest Rates

Rate	Oct. 17
1-month	8 1/8%
3-month	8 1/4%
6-month	8 1/4%
1-year	8 1/4%

U.S. Money Market Funds

Fund	Assets	Yield
Mutual Shares	7.48	7.48
28-day average yield		7.48
Yields on interest rate funds		6.10

Asian Dollar Deposits

Term	Rate
1 month	8 1/8%
3 months	8 1/4%
6 months	8 1/4%
1 year	8 1/4%

Gold

Market	Price
London	412.50
New York	412.50
Zurich	412.50

Sources: Reuters, Bank of Tokyo, Citicorp, etc.

Sources: Reuters, Bank of Tokyo, Citicorp, etc.

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NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 a.m. volume, NYSE 9 a.m. volume, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Class, Prev.

NASDAQ Index table with columns for Class, Chg.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Band Averages table with columns for Class, Chg.

NYSE Diary table with columns for Class, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, % of 100

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for High, Low, Close, Chg.

NASDAQ Diary table with columns for Class, Prev.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

New York Stocks Edge Higher

NEW YORK — Stock prices closed slightly higher Monday in quiet trading on the New York Stock Exchange. The Dow Jones industrial average, which lost 17.07 points last week, rose 7.29 points to 2,140.47.

Advances topped declines by a 7-6 margin. Volume on the Big Board slowed to about 119.3 million shares, compared with about 160.2 million shares Friday.

Mr. Harrington said he had no reason to believe that Wednesday's one-year anniversary of the stock market collapse would be anything more than an anniversary and business would not be impacted.

Hospital Corp. of America was third, up 1/4 to 49. The company rejected a management group buyout offer of \$51 a share and said other outside parties might be interested in making a higher offer.

Prices closed narrowly mixed in slow trading on the American Stock Exchange. The American Stock Exchange index rose 0.72 to 337.7. The average price of a share gained 3 cents. Declines narrowly edged out advances.

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

NYSE Most Actives table (continued)

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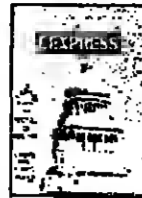
HOW TO REACH BELGIUM

knack
MAGAZINE



The weekly Flemish newspaper for a thinking audience
412,700 CD4-readers (88)

LE VIF
L'EXPRESS



The weekly newspaper for the French speaking part of Belgium
405,700 readers (SCEM/AF 10,000 - 98)

Trends



The weekly magazine for economy and finance (Dutch and French) 218,400 CD4-readers (86)

Trends



sport⁹⁰



The weekly magazine for sports and leisure (Dutch and French)
291,100 readers (Sobemap 10,000 86)

industrie



The monthly magazine for production and technology
42,700 CD4-readers (86)

onze tijd



The monthly newspaper Circulation: 90,000 ex.

notre temps



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Unilever Likes the Fresh Flavor of Quest as Traditional Business Markets Turn Stale

NAARDEN, the Netherlands — Unilever PLC, the Anglo-Dutch conglomerate, is looking to Quest International, its flavors and fragrances unit, to establish it as a key player in the expanding market for specialty chemicals.

Unilever is increasingly relying on its chemical units for growth, as its traditional food and detergents markets mature. In 1987, chemicals generated 12 percent of its \$2.18 billion operating

profit, up from the 5 percent of a \$1.1 billion profit it generated in 1977.

"Specialty chemicals are Unilever's fastest-growing sector, and within that, Quest is the fastest growing unit," said Richard Allan, an analyst at the London merchant bank Kleinwort Benson.

Quest, which had operating profit of \$70 million in 1987 on sales of \$635 million, contributed 25 percent of sales and profit to Unilever's specialty chemicals group. Analysts see strong growth ahead for the concern, which is currently

world's No. 2 in flavors, fragrances and food ingredients.

Quest supplies scents and tastes to manufacturers of a large range of foods, drinks and household products, such as instant soups, ice creams, soap powders and perfumes.

A promising area for flavor makers is the beverage industry, which generates one-third of the world demand for flavors. Nonalcoholic drinks hold a 77 percent share of that market.

"The soft drinks market is massive,

and the race is on to find a new drink with global appeal, like Coca-Cola," said Philip Morrish of the London investment firm Smith New Court. "The firm which hits on the right formula could make a multimillion dollar fortune," he added.

Quest was formed in 1987 through the union of Unilever's Naarden International NV in the Netherlands and PPF International in Britain.

Unilever's biggest chemical business is National Starch & Chemical Corp., with sales in 1987 of \$1.3 billion. In the same

sector, Unichema International and Crossfield Group had respective sales of \$484 million and \$131 million last year.

But analysts said the other units did not appear able to match Quest's declared profit growth target of more than 10 percent a year in the next 10 years. The world market for flavors and fragrances has doubled in a decade, to about \$9 billion.

"Our goal is quite simply to lay the foundation so that Quest assumes industry leadership in the 1990s," said Charles Miller Smith, the president of Quest.

BREWERS: Elders Bids for Scottish & Newcastle

(Continued from first finance page)

lia. He said Elders would be looking for "full listing of our brewing operations, probably in the U.K."

Earlier this year, Scottish & Newcastle, whose products include Newcastle brown ale, rejected a merger proposal from Elders.

Mr. Elliot said Monday, "Scottish & Newcastle is a natural fit with Courage, our existing U.K. brewing company. Together they will create a new national brewing force in the U.K. and will increase competition."

He added, "A calculated risk was being taken that the bid would not run into trouble with the Monopolies Commission inquiry into the supply of beer into Britain."

If the bid were to succeed, said Mr. Elliot, Elders would control about 20 percent of the British beer market, less than the 22 percent held by Bass PLC, the biggest British brewery.

In September, another Australian company, Goodman Fielder Watrie Ltd., decided to sell its 29.99 percent stake in Rank's Hovis McDougall PLC, after its £1.7 bil-

lion takeover bid was referred to the monopolies panel.

"The deal would give Elders needed extra brewing capacity in Britain with which to mount an assault on Europe, particularly southern Europe, post-1992," Mr. Elliott said, referring to the target date for the elimination of trade barriers among members of the European Community.

Mr. Elliott, who was in London, said he was disappointed Elders' earlier offer was not more actively considered.

"So strong, however, do we consider the commercial logic of this merger and the benefits to all sides that today we are launching our bid," he said.

Scottish & Newcastle, which is based in Edinburgh, did not comment. It said, "This bid is totally unacceptable. It entirely fails to recognize the current performance and exciting prospects of a highly successful company."

It added that the bid ignores the underlying values of the business and its assets, which include a wide range of major beer brands, a well

distributed retail estate and a "four-star" hotel chain with strong representation in the key London market.

The company urged its shareholders not to act on the bid.

Dealers and analysts said the rejection by Scottish & Newcastle was expected and that most observers thought Elders would have to raise its bid by 50 to 100 pence.

Analysts said the company's hotel chain alone was worth between £500 million and £650 million.

Fears that the bid would be referred to the monopolies panel kept Scottish & Newcastle stock from rising further, dealers said.

In its latest fiscal year, Scottish & Newcastle posted pretax profit of £90.3 million on sales of £828 million.

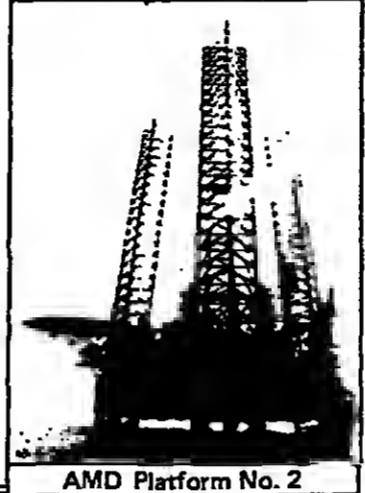
Elders said last month its net profit in the year that ended June 30 rose 70 percent from the previous year, to 448.62 million Australian dollars (\$364.1 million) on sales of 15.35 billion dollars, up 45 percent from the previous period. (Reuters, AFP, UPI)

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The items are available for viewing until October 22, 1988.

Bid closing date is October 24, 1988.



SMALL: Investors Shun Stocks of Little Companies

(Continued from first finance page)

for the period, has attracted only \$5 million more in new money than it has paid out to shareholders who redeemed fund shares, said Neil T. Eigen, fund manager.

If he had had this record in previous years, he said, money would have poured into the fund.

Fund managers with cash said they were in no hurry to spend it on small-company stocks. Because 25 of the stocks in the smaller-company portfolio of Boniface A. Zimo, managing director of TCW Asset Management in New York, were part of acquisitions this year, he now has almost 20 percent of his clients' \$600 million in short-term instruments.

While he can sell his holdings of takeover candidates to arbitrageurs in days, finding and accumulating new holdings requires much longer, he said.

"It takes you nine months to accumulate it, and you sell it in two days," he said.

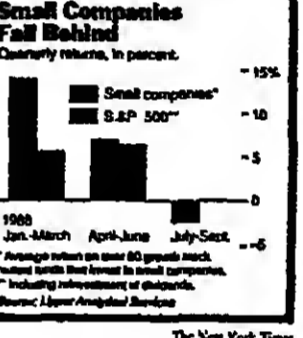
Many fund managers feel that, given the economy's uncertain outlook, small stocks are fairly valued, either overpriced or cheap. Many of them are selling at 13 times their annual per-share earnings.

Some managers doubted whether these small stocks could regain the strength they enjoyed in the first half of the year.

Mr. Eigen of Integrated, for one, said he thought these stocks might remain sluggish for a while longer.

"I think it's going to be a while before they come back," he said.

But Mr. Freeman of Shearson Lehman said the stocks may rise again in late November or early December as investors buy early before the celebrated "January effect."



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Norway**	N.Kr. (02) 41 34 89*	2,000	1,276	1,100	600
Portugal**	Esc. (01) 80 71 23*	26,000	26,780	14,300	7,900
Spain**	Pes. (91) 401 29 00*	31,000	21,780	17,000	9,400
Switzerland	S.Fr. (08) 21 01 90*	2,000	1,276	1,100	600
Switzerland	S.Fr. 046 05 68 00	455	455	255	141
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		620		340	190
		540		295	160

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Chase Profit Rose 25% in Quarter

Compiled by Our Staff From Dispatches
NEW YORK — Chase Manhattan Corp. reported Monday that earnings in the third quarter rose 25 percent from a year earlier, aided by strong gains in foreign-exchange trading.

Two other large U.S. banks, First Chicago Corp. and J.P. Morgan & Co., also posted stronger earnings for the quarter.

Chase said quarterly earnings totaled \$283 million, or \$3.09 per share, compared with \$226 million, or \$2.55 per share, in the third quarter of 1987.

For the first nine months of 1988, consolidated net income was \$784 million, or \$8.62 per share, compared with a consolidated net loss of \$1.05 billion for the first nine months of 1987, the company said.

Chase said the latest quarterly earnings included increases in income from foreign-exchange trading, investment-banking fees, trading account gains, and trust and

fiduciary fees. These were partially offset by a decline in gains on sales of investment securities.

Third-quarter earnings also included a gain of about \$103 million after taxes from a modification of its pension plan and the purchase of annuity contracts in settlement of its pension plan obligation, the company reported.

It said the latest quarter reflected a decline in net interest income, due in part to its placing about \$538 million of credits to borrowers in Argentina on nonaccrual status. This action reduced income for the third quarter and for the first nine months of 1988 by \$18 million.

Separately, First Chicago said its third-quarter profit was up 80 percent from a year earlier. Results were aided by substantial gains in foreign-exchange trading and in fee income from turning credit-card loans into securities.

The bank holding company reported third-quarter earnings of

\$111.4 million, or \$1.73 a share, which included a gain from carry-forwards on operating losses of \$14.3 million. A year earlier, First Chicago earned \$61.8 million, which included a \$3 million decrease for change in accounting procedures.

Profits from foreign-exchange trading rose to \$42.01 million in the quarter, from \$12.3 million in the year-ago period. Revenue from credit-card receivables climbed to \$74 million from \$37.7 million.

Charge-offs for loans to less-developed countries totaled \$35 million for the quarter.

Meanwhile, J.P. Morgan said third-quarter earnings rose 6.6 percent.

Morgan earned \$233.6 million, or \$1.25 a share, this quarter, up from \$219.2 million, or \$1.18 a share in the third quarter of 1987.

Trading income rose to \$117.9 million. (UPI, Reuters)

3d-Quarter Steel Profits Expected to Shine

NEW YORK — Major U.S. steelmakers, aided by higher prices, will report sharply higher third-quarter earnings this year, compared with the levels in the corresponding 1987 period, according to industry analysts.

But because of a seasonal slowdown in orders, exacerbated by high customer inventories, results will probably not match those of the very strong second quarter, some said.

"Compared to the second quarter, most of the companies will be down, but compared to a year-ago, the results will be spectacular," said Charles Bradford of Merrill Lynch & Co.

In early 1987, after years of large losses and arduous cost cutting, big steel returned to profitability. Steelmakers were aided by the ongoing U.S. economic expansion, which boosted demand, and the weak dollar and government quotas on foreign steel, both of which held down imports.

In addition, reduced domestic capacity caused prices to rise, a phenomenon that continued into 1988. The combination of higher prices and stronger-than-expected demand led to the industry's highest earnings in years in the first two quarters. Third-quarter results will slacken somewhat, but

they still will be relatively good, said Wayne Atwell of Goldman, Sachs & Co.

"Usually the third quarter is seasonally weak, but this year it's not as weak. So earnings will be down from the second quarter but not that bad," Mr. Atwell said.

Average prices for flat-rolled steel products, used in appliances and automobiles, have risen to around \$500 a ton from \$445 to \$450 a year ago, according to Robert Hageman of Kidder, Peabody & Co.

"The volume may be off slightly, but the pricing will be better" in the third quarter, he said.

USX Corp., the nation's largest producer, will have lower steel earnings than in the second quarter but better results than a year ago, said Mr. Bradford of Merrill Lynch. Its steel operations were hurt by weakness in prices for oil pipe, a major product line.

But overall USX earnings will rise on strong refining and marketing income at the company's energy units, Mr. Bradford said. He predicted the company's net income would rise to 70 cents a share from 45 cents earned a year ago.

Most other major steel companies should be solidly profitable in the quarter, analysts said.

Klöckner Officer Arrested After Oil Losses

DUISBURG, West Germany — Police on Monday arrested an executive of the West German trading house, Klöckner & Co., five days after it disclosed massive losses from forward oil trading, a Düsseldorf prosecutor said.

Klöckner last week announced potential oil-trading losses that could amount to 700 million Deutsche marks (\$384 million). Wolfgang Zeschmar, an execu-

tive with signatory powers, was arrested on suspicion of embezzlement and would appear before magistrates on Tuesday, the prosecutor said.

A spokesman for Klöckner confirmed Mr. Zeschmar's arrest and said that the company had previously dismissed him.

The company has blamed the losses on violation of internal controls by some employees. Last week, Deutsche Bank AG,

which has agreed to provide the capital necessary for Klöckner to keep operating and thus has taken effective control of the company, announced that Nancy Kropp had assumed responsibility for the group's oil trading.

But a spokesman for the bank said that she was not replacing C. Peter Henle, the managing board member and shareholder who resigned Wednesday after the potential losses were announced.

Over the weekend, the chairman of the company's supervisory board, Peter Ludwig, said after an extraordinary meeting that a large part of the oil-trading losses occurred because "certain partners in the crude oil business could not punctually honor their payment obligations." But he did not elaborate.

Mr. Ludwig also said that a smaller portion of the losses came from trading on Klöckner's own account, and the extent of these losses was dependent on future oil prices.

Toyota Raises Auto Output; Nissan Cuts It

TOKYO — Toyota Motor Corp. increased its output between April and September, while Nissan Motor Co. had to cut production due to a slowdown in exports, the top two Japanese automakers announced Monday.

Toyota's output in the first half of the Japanese fiscal year rose 8.1 percent from the year-earlier period, to 1.9 million units, while Nissan reduced production by 4.9 percent, to 1.0 million units.

Domestic sales were brisk amid robust demand. Toyota sold 983,510 units, an increase of 12.5 percent, and Nissan sold 554,734 units, a 14.5 percent rise. Toyota increased exports by 4.5 percent, to 978,526 units, but Nissan's overseas shipments sagged 22.3 percent, to 487,202 units.

Hospital Corp. Stock Up On Prospects of New Bid

NEW YORK — The stock of Hospital Corp. of America rose in active trading Monday on the possibility that an offer higher than management's \$3.5 billion would emerge, and some analysts said Humana Inc. would be the bidder.

HCA rose 50 cents to \$48.75 by midday on the New York Stock Exchange. Humana, a rival of HCA, slipped 37.5 cents to \$24.125. Over the weekend, a special committee of Hospital Corp.'s outside directors declined to act on Thursday's management-led buyout offer of \$51 a share, saying they had "written indications" that unidentified other parties might improve on the bid.

Humana "is the only one that could come in with all cash, which would be preferable" to management's cash-and-securities bid, said Elaine Hughey Smyth, an analyst with Equitable Securities Corp. "Humana is considered the leading contender," said Roger Gordon, analyst at DLJ Securities.

But another analyst said a financially oriented buyout specialist is a more likely bidder. "I think it's very unlikely that Humana is involved," said John Hindelung of Smith Barney, Harris Upham & Co. Hospital Corp., based in Nashville, Tennessee, operates more than 360 hospitals. Humana, based in Louisville, Kentucky, runs 85. Also Monday, HCA, which completed a restructuring last year, said it moved to a \$53.8 million net profit for the third quarter from a \$232.8 million loss in the year-earlier quarter. (AP, Reuters, NYT)

Daily Mail Trust Sets Bid

LONDON — Daily Mail & General Trust PLC, a British investment firm, said Monday that it had agreed to acquire the 50.5 percent of Associated Newspapers Holdings PLC it does not already own for £511.8 million (\$898 million). Associated Newspapers publishes the London newspapers the Daily Mail, Mail on Sunday and the Evening Standard. The company's shares rose 237 pence to close at 740 pence.

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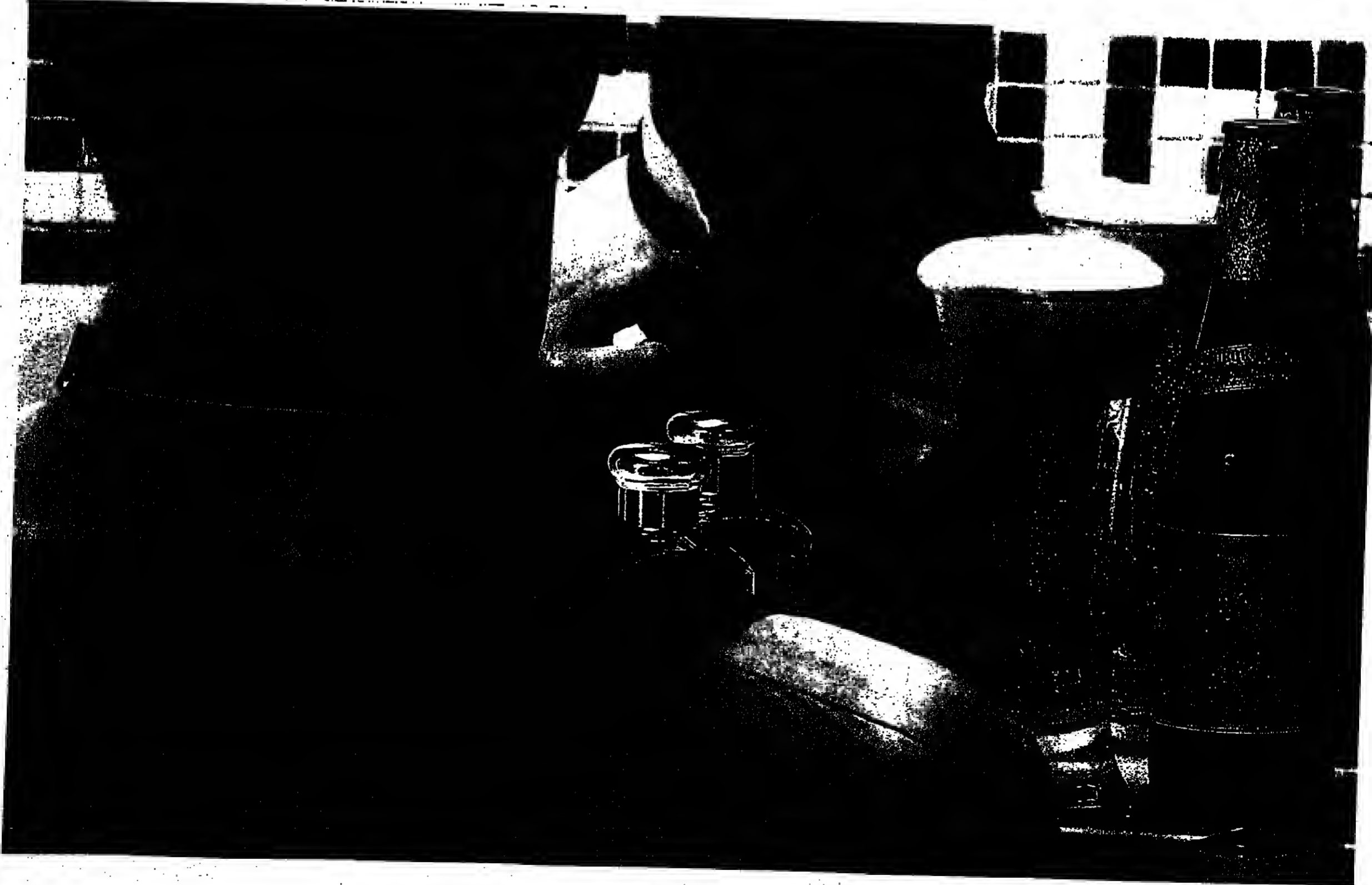
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117 1/2	117 1/2	ABIG	11 102 10 10 1/2	117 1/2	117 1/2	117 1/2	+1 1/2	117 1/2	117 1/2
117 1/2	117 1/2	ABIG	11 102 10 10 1/2	117 1/2	117 1/2	117 1/2	+1 1/2	117 1/2	117 1/2

12 Month High	12 Month Low	Stock	Div. Yld. PE	52 Wk High	52 Wk Low	Close	Change
117 1/2	117 1/2	ABIG	11 102 10 10 1/2	117 1/2	117 1/2	117 1/2	+1 1/2
117 1/2	117 1/2	ABIG	11 102 10 10 1/2	117 1/2	117 1/2	117 1/2	+1 1/2

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The Ministry of Public Works of the Democratic Republic of Madagascar invites bidders to submit preselection applications for tender offers on the upgrading and periodic maintenance work of the Vihiv Highway Project funded by the International Development Association with co-financing Swiss funding supervised by this Association.

The work concerns paved roads, earthen roads and agricultural feeder roads.

Only firms or groups from Switzerland, Taiwan or World Bank member countries shall be allowed to submit applications for the present preselection invitation.

Applications shall be submitted by 5 p.m. Madagascar time on December 1st, 1983.

Preselection specifications indicating the information to be provided in order to participate in the present preselection invitation, as well as the tender specifications, can be consulted at:

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— EMBASSY OF THE DEMOCRATIC REPUBLIC OF MADAGASCAR abroad

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CURRENCY MARKETS

Intervention Fears Halt Dollar's Fall Mark Moves

NEW YORK — The dollar closed fractionally higher against major currencies Monday after fears of central bank intervention prevented a continuation of last week's slide.

But analysts remained pessimistic about the outlook for the U.S. currency.

Gold, meanwhile, advanced sharply. The spot gold price on the New York Commodity Exchange jumped to \$412.20 an ounce at the close, from \$409.10 on Friday.

Hubert Pedroti, manager of the corporate foreign exchange desk at Credit Suisse, said dollar traders remained nervous.

The dollar inched up against the Deutsche mark to close at 1.8078 after Friday's 1.8055 DM.

The British pound yielded to a firmer dollar, closing at \$1.7480 against Friday's \$1.7590.

Dealers said that dollar bears went out in force, but hid their time for fear of central bank intervention.

In Tokyo earlier, dealers said the Bank of Japan was checking dollar-yen rates at around 126.25 yen both before and after the Tokyo market opened.

Bank of Japan dealers had been in touch with Tokyo bank dealers in the early morning and seemed concerned about a dollar freefall, they said.

Such rate-checking often precedes official intervention.

The central bank would "definitely come in" if the dollar were to fall below 126 yen, said a senior dealer with a Japanese bank.

London Dollar Rates

Table with columns: Currency, Bid, Ask, and other market data for London Dollar Rates.

The dollar also slipped to 6.1865 French francs from 6.2000, but it advanced against the British pound, which declined to \$1.7493 from Friday's \$1.7550.

It still sees the dollar moving towards the 1.80 DM level when this bout of technical correction finishes off," said David Deakin, senior manager at EBC-Amro Bank.

Dealers noted that the pound came under pressure in late trading, as operators who had gone long over the weekend or early on Monday gave up hopes of seeing it higher and decided to square their books.

The pound dipped to 76.7 on its trade-weighted index from 76.9 on Friday, but that did not reflect the steep decline just before the close.

To New High In Paris

PARIS — The Deutsche mark moved to a fresh record high against the French franc at the Paris fixing Monday, with no sign of official support for the French currency, dealers said.

They said that there was much speculation of an increase in French interest rates to support the currency following weekend remarks by Pierre Bérégovoy, the French finance minister, that he would raise interest rates if necessary.

The mark was fixed at 3.4143 French francs, up from Friday's fix of 3.4127 francs, the previous record.

It opened at 3.4137 francs and drifted higher as the French central bank stood aside during the open market session Monday morning, dealers said.

No intervention on behalf of the franc was detected from the Bank of France, the central bank, dealers said. They were speculating that the bank would raise a key interest rate, the intervention rate, by about a quarter point from its current 7 percent at a securities repurchase tender Tuesday.

Speculation of a rate increase limited Monday's franc losses, they said, while some added that commercial buying in the morning helped stem the slide.

The dollar was fixed at 6.1865 French francs, up from the opening 6.1695 but still below Friday's 6.2195 fix.

The franc's latest problems were fueled by dollar weakness, which boosted the mark more than the franc.

However, franc concern has been compounded by worries about spreading labor unrest in France.

France has said that it would not permit a devaluation of the franc within the European Monetary System, the European Community's managed float.

Therefore, interest rates are seen as the most likely support mechanism.

Western Europeans Set Soviet Loans

MOSCOW — Western European bankers and governments are looking to extend credit to the Soviet Union in a drive to push exports in an economy eager to modernize.

Groups in West Germany and Italy have agreed in recent days to extend credit to the Soviets, and a British bank said banks in his country are expected to announce a line of credit later this week.

In addition, Western bankers in Moscow said a major French bank was considering extending a credit facility.

In Frankfurt, representatives of West German and Soviet banks signed the West German credit package Monday, Deutsche Bank AG said the credit would be used primarily to expand the Soviet food, leather, textile and clothing industries.

The credit is for 3 billion Deutsche marks (\$1.66 billion). Bankers said the maximum term of credit is likely to be 8 1/2 years. They said on single or fixed interest rate has been attached to the facility.

The credit line has raised hopes among West German engineering concerns of big plant-building contracts in sectors the Soviet government most urgently wants to modernize.

The German press has speculated that Volkswagen AG or Daimler-Benz AG might be asked to build auto plants in the Soviet Union.

Separately, Italy has signed an accord to provide an export credit worth 600 million European currency units (\$775 million dollars) to the Soviet Union, the Foreign Trade Ministry said Monday.

The credit line is the first extended by a Western government since Moscow sent troops into Afghanistan.

An Italian government spokesman said the credit accord was signed in Moscow last Friday. She said the state-owned Mediobanca Centrale organized the loan and several Italian banks were participating in a loan consortium.

The credit would be used mainly for the purchase of Italian machinery and factories for the production of consumer goods.

The announcement came after Prime Minister Ciriaco De Mita and Foreign Trade Minister Renato Ruggiero of Italy held talks in Moscow aimed at helping Italian industry win a larger share of the Soviet market.

The chairman of the automaker Fiat SpA, Giovanni Agnelli, said Monday that Fiat is in a strong position to benefit from Soviet plans to expand. Fiat helped revolutionize the Soviet car industry in the early 1970s.

Mr. Agnelli, who met the Soviet prime minister, Nikolai Ryzhkov, over the weekend, told business men at an Italian trade fair that the Soviet Union wanted a sharp increase in car production, although no new contract with Fiat had been signed.

Meanwhile, in London, a spokesman for the Department of Trade and Industry said Monday that British banks are expected to announce a new credit facility to finance British exports to the Soviet Union at a news conference on Thursday.

Bankers said the British credit is expected to be for between \$1 billion (\$1.76 billion) and \$1.5 billion, with a maturity of up to 8 1/2 years.

day aims to set what analysts describe as a "base" ceiling that is well below current output levels.

At the core of the proposed ceiling is an attempt to bring Iraq back into the fold of the cartel's official quota regime, which Baghdad has refused to recognize since December 1986.

The new ceiling, in effect, is the sum of the current 15.06 million barrel OPEC quota and the 2.37 million barrels a day quota that Iraq has demanded for itself in seeking parity with Iran.

Iraq, whose official quota is 1.5 million barrels a day, has been producing as much as 2.7 million barrels a day to support its reconstruction efforts in the wake of its cease-fire agreement with Iran.

Significantly, the Gulf producers' proposal also included the assertion that a higher ceiling — above 17.4 million barrels — would be acceptable as long as quota assignments would remain in proportion to existing levels, adjusted for Iraq parity with Iran.

A higher ceiling, according to a report by the official Kuwait News Agency, could be set at around 18.5 million to 19 million barrels a day.

A ceiling at that level will be proposed at the next plenary session of OPEC in late November, the agency said.

"A new ceiling of 18.5 million to 19 million barrels a day would not be inconsistent with demand over the next six months as long as OPEC did not overproduce too much," said Mr. Unsworth.

At a ceiling, say of 18.7 million barrels, Iran and Iraq would probably be assigned an equivalent quota of 2.54 million barrels.

Analysts have forecast demand of about 19.5 million barrels a day for this year's fourth quarter, dropping to around 17.5 million barrels in the subsequent three months.

Japan's Kamato to Continue Its Buying of Foreign Bonds

TOKYO — Kamato, the Japanese post office life insurance system, plans to continue significant purchases of foreign bonds despite the dollar's recent decline, an official said Monday.

Kamato nearly tripled its foreign bond purchases last month.

"We will continue to take a positive stance toward such bond investments as long as the dollar does not fall sharply to under 100 yen," he said. The dollar ended at 126.65 yen in Tokyo on Monday.

Kamato, the biggest single Japanese investor in foreign bonds, purchased 48.1 billion yen (\$376.5 million) of the securities in September, up from 17.3 billion yen in August, he said.

Kamato held a total of 2.09 trillion yen of foreign bonds at the end of September, up from 2.04 trillion yen at the end of August. The sharp increase in September was partly due to the relatively stable foreign exchange market, the official said.

Relatively high, attractive yields were available on U.S. dollar-denominated securities and foreign bonds denominated in Canadian dollars, European currency units

and yen, although there were some currency risks, he said.

"The recent dollar fall seems to have limitations, and we prefer to regard the present situation as a good chance to invest in foreign bonds, because they are cheaper in terms of the strong yen," he added.

Kamato held 3.63 trillion yen in domestic municipal bonds at the end of September, down from 3.64 trillion yen at the end of the previous month, it said in a monthly report.

It held 3.94 trillion yen in domestic government securities, government-backed bonds, bank debentures and domestic corporate bonds issued by companies with at least 6 billion yen of capital at the end of September, up from 3.84 trillion at the end of August.

Kamato reduced its cash positions to 1.07 trillion yen at the end of September from 1.25 trillion yen, the report said. The decrease in cash positions resulted from the shift in assets to other investments, such as foreign and domestic bonds, an official said.

Kamato's total assets stood at 38.79 trillion yen at the end of September, up from 38.39 trillion yen a month earlier.

OIL: Gulf Arab Ministers Call for Compromise Agreement on Production

(Continued from page 1) quota formula will ultimately go back to politics.

He added that "the vice of economic warfare has been lifted, and this means that both Iran and Iraq are in a position to increase their exports and both intend to do so."

In his view, "the fundamental problem for OPEC is how to make more room in the world market for OPEC production — the old quota would not allow for that."

The tentative agreement between the four Arab producers in the Gulf represents a new realism within the cartel that the current production targets, which are nearly two years old, must be relaxed to coincide with the need for revenue among major producers, especially Iran and Iraq.

Analysts stressed that even if OPEC were to resolve internal differences, it would face an uphill battle to stabilize prices.

OPEC, which had a strong grip on world energy markets in the late 1970s and early 1980s, no longer accounts for a majority of the oil sold on the free market.

The organization, which supplies about 40 percent of the free world's demand for oil, has lost its dominance to non-OPEC producers, including Britain, Norway, the Soviet Union, Mexico and China.

The U.S. energy secretary, John Herrington, said in London on Friday, "The big deciding factor today is you're seeing more production outside of OPEC than you have inside of OPEC."

"This fact is forcing the surplus on the market and forcing the price down."

Humphrey Harrison, of the London brokerage Kitcher & Aitken, cautioned that "the only way prices will rise is if the markets see such a plan for a higher ceiling as a first step toward a more durable and effective agreement."

The compromise proposed by the Gulf Arab producers late Sunday

aims to set what analysts describe as a "base" ceiling that is well below current output levels.

At the core of the proposed ceiling is an attempt to bring Iraq back into the fold of the cartel's official quota regime, which Baghdad has refused to recognize since December 1986.

The new ceiling, in effect, is the sum of the current 15.06 million barrel OPEC quota and the 2.37 million barrels a day quota that Iraq has demanded for itself in seeking parity with Iran.

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Significantly, the Gulf producers' proposal also included the assertion that a higher ceiling — above 17.4 million barrels — would be acceptable as long as quota assignments would remain in proportion to existing levels, adjusted for Iraq parity with Iran.

Miyazawa Tells Diet He Is Sorry

TOKYO — Brushing aside calls to resign, Finance Minister Kiichi Miyazawa apologized Monday in parliament for his involvement in an insider-trading scandal.

Mr. Miyazawa told the Diet that he had been unaware that a former aide, Tsuneo Hatoyama, permitted a friend to buy 10,000 shares of Recruit-Cosmos Co. stock in the minister's name. The first cabinet member linked directly to the Recruit-Cosmos scandal, Mr. Miyazawa said, "I was truly careless. I'm sorry for failing to supervise well."

Several senior politicians reportedly obtained shares in the real estate company in 1984 before its stock was offered to the public. The stock never quadrupled in value shortly after it began trading. The dealings broke no laws in Japan, where such gifts were traditional.

Monday's OTC Prices. NASDAQ prices of 4 A.M. New York firm. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Table of stock prices for various companies, including columns for stock name, price, and change.

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JAPAN will be featured in a special news report, prepared by the editors of the International Herald Tribune. It will appear on Monday Dec. 5. Don't miss this important issue. Herald Tribune

BOOKS

A WRITER'S AMERICA: Landscape in Literature

By Alfred Kazin. Illustrated. 240 pages. \$24.95. Alfred A. Knopf, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Christopher Lehmann-Haupt

ESPIE the book's being heavily illustrated with landscape paintings, drawings and photographs an extraordinary sense of movement pervades Alfred Kazin's latest literary study, "A Writer's America: Landscape in Literature," which takes up many of the topics the author explored in "On Native Grounds," "Bright Book of Life" and "An American Progression."

Part of the problem with "A Writer's America" is that its parts don't really fit together. It is superficially logical that a book about landscapes should be lavishly illustrated. But pictures tend to limit our sense of time, while words depend on its passage, and on closer examination the purposes of the illustrations (to freeze the past) and the text (to convey its restlessness) are precisely opposed.

treats America according to the various ideas of pristine nature its wilderness inspired. Then gradually he begins to conceive of the land as a contradiction between the civilized and uncivilized. Later he discusses the country as a conglomerate of regions. And later still he is reduced to writing about a series of places.

Elsewhere, Kazin quotes from Ernest Hemingway's "Big Two-Hearted River," particularly those early pained passages that the critic Malcolm Cowley once attributed to Nick Adams's war traumas, and the biographer Kenneth Lynn has more recently blamed on Hemingway's troubles with his mother. What does Kazin have to say about "the swamp" where "fishing was a tragic adventure"? He writes: "The overlying sense of the wild country as 'tragic adventure' should not distract us from the piercing love that Hemingway, beyond anyone else of his time and place, brought to Nature in America. Nature was his first, his last, his only enduring love."

There is a frustrating sort of circuit of reason at work here. Hemingway writes greatly about nature because his "was a genuine, fiercely out-of-doors imagination," whatever that may mean. His imagination went out-of-doors because landscape "fired him, gave him a feel" for weather, a love of every risk out in the open. "What this amounts to saying is that Hemingway loved nature because he loved nature. The only thing that is missing is a plausible human psychology, the process of feeling and thought by which the artist came to experience and express nature."

This may unfairly scold Kazin's extraordinary resourcefulness at weaving a narrative thread and stringing it with brilliant illustrative details. But it explains why, for all the text's furious movement, there is less here at heart than rushes to fill up the eye.

Christopher Lehmann-Haupt is on the staff of The New York Times.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Oct. 17

Table with columns for Amsterdam, Class Prev., and various stock indices like AEX, Dow Jones, etc.

Table with columns for Frankfurt, Class Prev., and various stock indices like DAX, etc.

Table with columns for Hong Kong, Class Prev., and various stock indices like Hang Seng, etc.

Table with columns for London, Class Prev., and various stock indices like FTSE 100, etc.

Table with columns for Paris, Class Prev., and various stock indices like CAC 40, etc.

Table with columns for Tokyo, Class Prev., and various stock indices like Nikkei, etc.

Table with columns for Zurich, Class Prev., and various stock indices like SMI, etc.

Table with columns for Toronto, Class Prev., and various stock indices like TSX 300, etc.

Table with columns for Singapore, Class Prev., and various stock indices like SSEC, etc.

Table with columns for Milan, Class Prev., and various stock indices like ISEQ, etc.

Table with columns for Sydney, Class Prev., and various stock indices like ASX 200, etc.

Table with columns for Seoul, Class Prev., and various stock indices like KOSPI, etc.

Table with columns for Taipei, Class Prev., and various stock indices like TSEI, etc.

Table with columns for Manila, Class Prev., and various stock indices like PSEI, etc.

Table with columns for Jakarta, Class Prev., and various stock indices like JSEI, etc.

Table with columns for Kuala Lumpur, Class Prev., and various stock indices like KLSEI, etc.

Table with columns for Singapore, Class Prev., and various stock indices like SSEC, etc.

Table with columns for Hong Kong, Class Prev., and various stock indices like Hang Seng, etc.

CHESS

By Robert Byrne

SHOULD there be a four-game tie-break match to determine a champion of the Soviet Union for 1988? Gary Kasparov and Anatoly Karpov, who tied for first place in the tournament, have already contested — in their four title matches plus tournaments — 130 games. That is the longest-running confrontation in history.

Karpov has already come out against an early start for such a match. Whatever decision is finally made, both players were in excellent form. Karpov's smooth-functioning style was evident in his victory over the grandmaster Vladimir Malaniuk.

The Leininger Variation of the Dutch Defense, marked by a 3...g6 and 4...Bg7, is in vogue currently, despite its longtime reputation for a slightly unstable positional value. There is always the question in this defense of how Black can complete the construction of his center. His f5 pawn just cannot give him a grip to restrain enemy forces.

Malaniuk's 7...Qe8 indicated that he was aiming for 8...e5, but after 8 f3 he preferred to avoid 8...e5 9 de 10 e4 Nc6 11 Nd5 12 Ng5 Nd3 13 cd Nd4 14 Ne4, an analysis by Yuri Balashov that favors White. Of course,

Chess

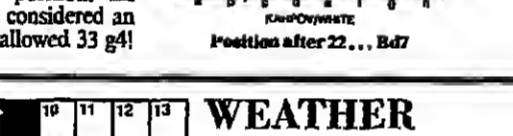
after 8...Na6 9 Ba3, he still had to forgo e5 because of the pin of his d pawn. Only after Karpov had mobilized his last piece with 12 Rad1 did he begin his attack in the center with 13 e4, which left Black with a backward pawn on the half-open e line following 13...f4 Ne4.

After 20 Qd2, Karpov was ready to apply more pressure with 20 Qa5, thus prompting Malaniuk to play 20...Ne6. But then the former world champion pounced with 21 Ne6 Bc6 22 Rd1 Bd7 23 Re7, a powerful exchange sacrifice to exploit the dark squares in the black position.

After 23...Be7 24 Re7, Karpov threatened to get a second pawn for his exchange with 25 Bd6. On 24...Rf6, he opened the long diagonal to the black king with 25 d5!

Defense by 28...Kf7 would have failed against 29 dc bc (29...Bc6 is hardly any better — 30 g4 Ra5 32 Bc6 bc 33 Rf3 annihilates) 30 g4 c5 31 Bd5! Thus, Malaniuk had to give up a second pawn anyway with 28...Re5 29 Re5 de 30 Qe5.

After 30...Kf7 31 d6 Bf5 32 c5, Malaniuk was virtually in zugzwang. In such a hopeless position, his 32...h5 should not be considered an error, even though it allowed 33 g4!



Position after 32...h5, Bd7

Crossword puzzle grid with clues for Across and Down.

Weather forecast table for Europe, Asia, North America, Africa, Latin America, and Oceania.

Jumble word game section with clues and a grid.

West Germany advertisement for Goldstar TVs and VCRs.

Down crossword puzzle clues.

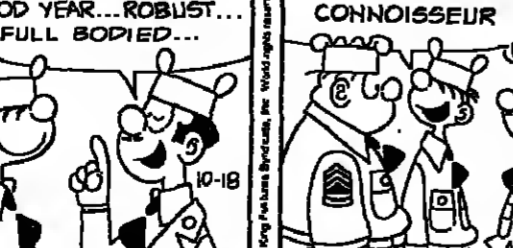
PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



Garfield



Doonesbury



Garfield



Solutions to previous crossword puzzle.

Doonesbury comic strip panel showing characters in a newsroom.

Garfield comic strip panel showing Garfield and Odie.

Garfield comic strip panel showing Garfield and Odie.

SPORTS

Dodgers Take 2-0 Lead Over Athletics
Hershiser Magic Continues: 3-Hitter, 3 Hits

By Richard Justice
Washington Post Service
LOS ANGELES — He had done it in Atlanta and Houston, in San Francisco and San Diego. He had stopped the New York Mets in the playoffs, and in Game 2 of the 1983 World Series, Orel Hershiser introduced himself to the Oakland Athletics.

Hershiser got three hits and pitched a three-hitter as the Los Angeles Dodgers routed the Athletics again on Sunday, this time 6-0. He is the first pitcher in 64 years to get three hits in a World Series game, but that's only a footnote for a pitcher who has pushed his team to new heights. He has made the Dodgers' defense better, their offense more daring and resourceful. They are good with Tim Lincecum and John Tudor on the mound, great with Hershiser.

"Our play rises when he pitches," Mike Marshall said. "You saw it in some of the double plays we turned tonight. We just play with a lot of confidence when he's out there." So a night after the Dodgers won on Kirk Gibson's dramatic ninth-inning homer, they won Sunday with Hershiser's excellence. He allowed only Dave Parker's three singles, and entered the sixth having faced the minimum 18 batters. He walked two and struck out eight and needed only 106 pitches.

biggest one came in a five-run third inning when Marshall homered on Storm Davis's 0-2 fastball, a pitch so bad it astounded even the Dodgers. They did the little things as well, especially in sending Davis to a fourth-inning shower. Hershiser and Steve Sax had hit-and-run singles in the third. Defensively, the Dodgers turned nice double plays in the second and fifth innings, and didn't allow the A's to get a runner into scoring position until the seventh.

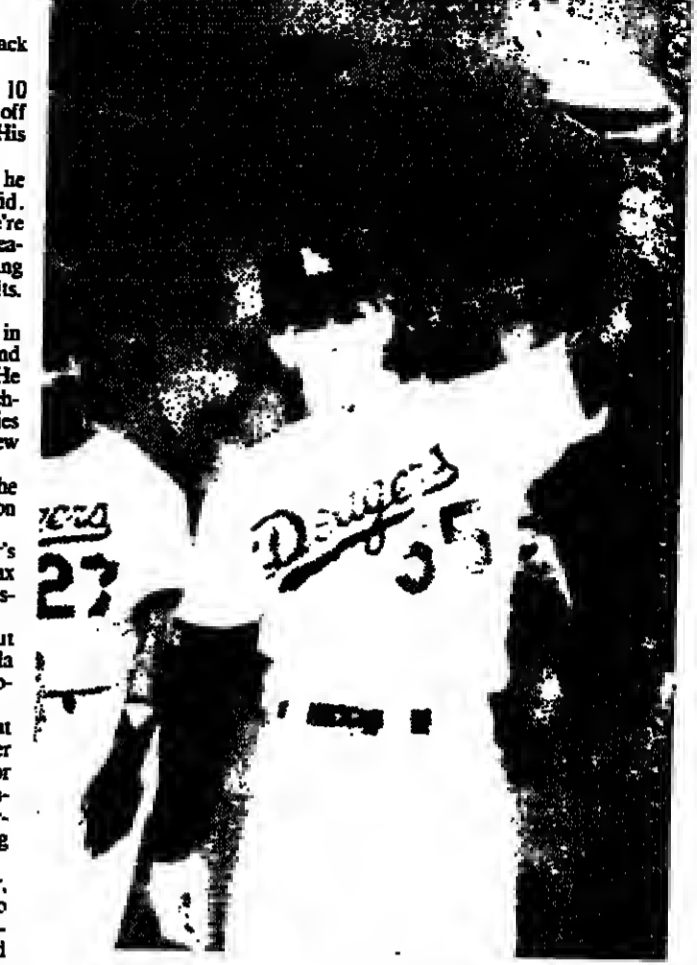
Hershiser was pitching for the fifth time in 12 days — four starts — and even catcher Mike Scioscia said: "I don't know if I'm worried about him. I'm concerned. This is a lot of innings. I know Orel is in great shape, and I think he would know if he were doing too much." Hershiser did spend some of the final innings with an ice-water towel around his neck, but he said the fatigue was more from running the bases than throwing the ball.

"My arm or leg wasn't tired," he said, "but I did get winded from running the bases. The lead really helped because I was able to go away from my sinker and throw some fastballs inside. You can do that with a lead because you know one mistake isn't going to cost you a game." The game was played out against two backdrops. One was the pressure and emotion of a World Series game. The other was that Hershiser has strung together probably the best six weeks of pitching the game has ever seen. In going unscored on in his last six starts in the regular season, he attached his name to a record that had been considered virtually unmatchable. His 59 consecutive scoreless innings is a major league record, and he has back-to-back postseason shutouts.

Since Aug. 30, he has started 10 games, and eight times walked off the mound with a shutout. His ERA is 0.29 in that time. "Give him a baseball and he pitches a shutout," Sax said. "We're on a roll right now. We're playing as good as we can. All season long, we did about everything except get consistent timely hits. Now, we're doing that, too."

Hershiser singled and scored in the five-run second inning and doubled home a run in the fifth. He doubled in the sixth. The last pitcher with three hits in a World Series game was Art Nehf of the New York Giants in 1924. The Dodgers scored first for the eighth time in nine postseason games. The hits began with Hershiser's single with one out in the third. Sax singled to right, and Hershiser hustled to third.

"No, I wasn't worried about him," Manager Tommy Lasorda said. "That's the way you're supposed to play." Franklin Stubbs singled to right for a run, and Mickey Hatcher dribbled a single up the middle for another. Center fielder Dave Henderson made a bad play by throwing to third late and allowing Hatcher to take second. It became irrelevant, however, because Davis threw Marshall two strikes then tried a knee-high fast ball down the middle. Oakland pitchers were warned about throwing low to Marshall. Marshall hit it over the left field wall for a 5-0 lead.



Orel Hershiser acknowledging the cheers after his shutout.

An inning later, the Dodgers put Davis out of his misery. Alfredo Griffin beat out an infield single, and Davis's last hit was Hershiser, who grounded a double down the right field line to score Griffin for a 6-0 lead. "I have had as good stuff and won," Davis said.

It had been 11 years since a pitcher had an extra-base hit in a World Series. That was Rick Rhoden of the Dodgers on Oct. 15, 1977. The last multi-hit game by a pitcher was 14 years ago, and he's a former Dodger: Andy Messersmith.



The Dodgers' Steve Sax jumps up as Dave Parker of the A's tries to take him out at second base on a double play in the fifth inning of Game 2. Parker's three singles were Oakland's only hits in the game.

Gibson Still Not in the Lineup

Compiled by Our Staff From Dispatches
LOS ANGELES — Kirk Gibson, who won the World Series opener with a dramatic pinch-hit home run, was not in the lineup for Game 2 of the World Series between the Dodgers and the Athletics.

Gibson, who has injuries to his right knee and left hamstring, might be "some better," Tommy Lasorda, the Dodgers' manager, said, and, unlike Saturday night, he did make the pregame introductions. He also came out early for a couple of swings in the batting cage, but didn't return for the regular session.

The Dodgers still hope he'll be able to play soon, but are making no predictions. Lasorda would like to have him as designated hitter for Game 3 in Oakland, but doesn't appear to be coming on it. "He's the one that's going to have to decide if he plays," Lasorda said. "I can't tell how his legs feel."

49ers Defeat Rams on 3 Touchdowns by Craig

Compiled by Our Staff From Dispatches
ANAHEIM, California — Joe Montana's clutch heroics have long been a key to the 49ers' success, but San Francisco has added a new dimension.

While Montana again came up with a great play when he had to on Sunday, Roger Craig's 190-yard, three-touchdown rushing performance was the big factor in the 49ers' 24-21 victory over the Los Angeles Rams in the National Football League.

"Our offensive line has been great all year and with Craig's running, it has taken a lot of pressure off our passing game," Montana said. "When something like the running game is working like it did in this game, you keep going to it." San Francisco Coach Bill Walsh said.

Roger was running great so we went to him more than we usually do. But it was a team effort; the offensive line played great, too." "All I wanted to do was play hard," said Craig, who scored on runs of 46, 2 and 16 yards and seemed virtually unstoppable on each of his tackle-breaking touchdowns runs. He carried 22 times for a lofty 8.6 yards-per-carry average.

Montana, meanwhile, brought the 49ers back on a 21-17 scoring run in the final quarter, marching their 93 yards to Craig's 16-yard scoring run that won the game. Included in the drive was a typical Montana clutch play, a 31-yard completion to Terry Greer on third-and-19 from the San Francisco 9-yard line.

"It was a very tough game," Walsh said. "Joe Montana has tremendous ability and he's having a great year." "I was very proud of the way the 49ers came back."



Freddie Joe Nunn of the Cardinals, 78, sacks the Redskins' quarterback, Mark Rypien, 11, jarring the ball loose. But Rypien threw for four touchdowns and 303 yards in the Redskins' 33-17 victory.

first had been thought. Elway passed for 235 yards and a touchdown and Rich Karlis kicked three field goals at Denver. Saints 20, Seahawks 19: In Seattle, Dave Waym scored the first touchdown of his nine-year career, picking up Gene Atkins's block of a field goal and romping 58 yards. New Orleans won for the ninth straight time on the road.

The Dolphins won their third in a row by rallying from a 28-17 fourth-quarter deficit to give San Diego its third consecutive loss. Marino, in his sixth NFL season, has 27 300-yard games, one more than Johnny Unitas and behind only Dan Fouts of the Chargers, with 51.

SCOREBOARD

BASEBALL

Table with columns for World Series, Oakland, Los Angeles, and game results.

FOOTBALL

Table with columns for College Standings and NFL Standings.

NFL ROUNDUP

Table with columns for Eastern, Western, and National Conference.

HOCKEY

NHL Standings

Table with columns for Eastern and Western Conferences.

GOLF

PGA TOUR

Table with columns for PGA TOUR and other golf events.

BASKETBALL

EXHIBITION GAMES

Table with columns for exhibition games and other basketball events.

SIDELINES

Tyson-Bruno Match Postponed Again

NEW YORK (Combined Dispatches) — Mike Tyson will defend his heavyweight title against Frank Bruno on Jan. 14, instead of Dec. 17, at a site to be determined. Bill Cayton, Tyson's manager, has announced. The match between Bruno and Tyson is likely to be switched from London to the United States because of Tyson's divorce problems and his reluctance to go to London. Bruno, angry about plans to switch the site, flew to New York Monday to meet with Tyson's attorneys. (AP, UP)

Pavin Wins by 8 Strokes in Texas Golf

SAN ANTONIO, Texas (AP) — Corey Pavin equaled the second-best 72-hole score in PGA Tour history with a 259 in crushing to an eight-stroke victory Sunday in the Texas Open Golf Tournament. Pavin, five shots ahead when the day's play started, shot a bogey-free 66 that left him virtually unchallenged over the final 18 holes. His 72-hole score has been bettered only once in the history of the PGA Tour, by Mike Souchak, with a 257 in winning the 1955 Texas Open.

Kenyan Leaves South African Meets

JOHANNESBURG (AP) — A U.S.-based Kenyan distance runner quit a South African tour without competing, track officials said Monday. Samuel Obwocha joined 13 Americans and a U.S.-based Brazilian for the first international track competitions in South Africa since 1976, but changed his mind before Saturday's meet at Pretoria and returned to the United States. The Americans have risked life suspensions in competing in South Africa, which was expelled from the International Amateur Athletic Federation in 1976 because of its policy of apartheid.

Walton Contacted Knicks About Job

BOSTON (AP) — Bill Walton, a free agent who had stated a desire to remain with the Boston Celtics, contacted the New York Knicks last summer about possibly playing for them, an official of the National Basketball Association team has confirmed. New York's general manager, Al Bianchi, said in an article published Monday in the Boston Herald, "Someone called us on behalf of Bill, and we talked to Bill with the idea of bringing him into camp. But nothing came of it." Walton, who will be 36 on Nov. 5, underwent major reconstructive surgery on his right foot in July 1987.

A New Monohull Design Emerges

By Barbara Lloyd
New York Times Service

NEW YORK — A new boat design, possibly for use in the next America's Cup series, has emerged from meetings among yacht designers and cup challengers who gathered recently in Britain.

The match is scheduled for 1991 in San Diego, assuming that no changes result from New Zealand's legal dispute over the 1985 regatta. Eleven of the future challenge teams were represented in Britain. Absent were four club teams from the Soviet Union, all of whom submitted challenges Sept. 30 for the next match.

Yachtsmen since then have been concerned about avoiding a repeat of that series. It drew together an unlikely pair of boats. New Zealand's 132-foot monohull and San Diego's 60-foot catamaran, in a lopsided race.

The proposed boat would be a monohull about 73 feet long and 18 feet wide (22.5 meters by 5.6 meters), with a keel draft of 1.3 feet. While only slightly larger in overall size than a 12-meter, the boat used for 1985, the new design would weigh about half as much. The lighter displacement and a larger rig would make the sailboat considerably faster than the traditional 12-meter. In peak conditions, the boat could be expected to surf downwind at more than 20 knots of speed.

"I think the boat is elegant and wholesome. As a monohull leader, it should be adopted," Britton Chance Jr., yacht designer.

Future challengers agreed in San Diego to settle on a single boat design for the next match. Computer experts and yacht technicians met in small groups, each charged with developing a different facet of design. Some syndicates went into the meeting favoring an 85-foot boat proposed by Bruce Farr and his associates, a group responsible for producing Michael Fay's 1988 New Zealand challenger.

Some syndicates were looking for something smaller that would cost less than the 85-footer. The 73-foot hybrid could be expected to cost half as much, or about \$2 million.

A formal vote among challengers to approve a design is expected within the next six months. Some have favored a modified version of a 12-meter that would allow for a mast 10 feet taller. But Thomas Ehman Jr., general manager of the next cup event, said last week that now there is a "growing consensus" in favor of the Southampton 73-footer.

ART BUCHWALD

Who Needs Elections?

WASHINGTON — My wife and I were eating dinner in the kitchen last Wednesday evening and watching Peter Jennings on the ABC news.



"Is that it?" my wife said. "Is it over?" "Dukakis is a dead fish," I replied.

"But Election Day isn't until Nov. 8. How could they announce the results in October?"

"Ooey guy" Buchwald spoke to 10,000 people, and based on those results Bush has all rights to the White House tennis court.

"You don't have to if you don't want to," I told her. "But ballooning in this country is a tradition. We don't do it for ourselves, we do it for the children."

"You're not taking this seriously. That poll just took my ballot away from me. Why should I go out and pull the lever if I can't make a difference?"

"Look, it had to come to this sooner or later," I told her. "Remember the election nights when they used to concede states to the presidential candidates by 8 P.M.?"

"Well, what shall we do on Nov. 8 if there is no suspense?" "Maybe the candidates will have another debate just to kill time. Besides, there is a lot more to election night than choosing a president. You get to see the families of the winners and losers. The political experts tell us what the losers did wrong, and maybe Dan Quayle will finally reveal what his grades were in school."

"The people I feel most sorry for are those who live in California. In the East, we now know who our next president is but they have to wait three more hours before somebody out West is permitted to give them the word."

Nobel Winner Urges One Writers' Language

CAIRO — The Egyptian novelist Naguib Mahfouz, the first Arab to win the Nobel prize for literature, believes the world would benefit if its writers used the same language.

"Had Europe continued writing in Latin, it would have been better for its culture," he told Cairo's Al-Ahram newspaper. "Books published in one country were read throughout Europe, but now they need to be translated. I believe that one unified language is better for humanity and culture."

Ameche, Mafia And Mamet

By Myra Forsberg New York Times Service

ONCE upon a time in Chicago, there lived an Italian shoe salesman named Gino who dreamed of owning a fishing boat.

One day, the old man is told that his cherished wish will be granted if he completes just one simple task. But this being a David Mamet film instead of a bedtime story, there are no magic wands or pumpkin coaches in sight.

And while many a fairy godmother appears, a gangster with a heart of gold does. The mobster decides Gino deserves a last tango in Tahoe before he is locked up. And so begins a fractured fable that recounts the triumph of a lowly yet honest man.

The scrupulous Gino in Mamet's "Things Change," which opens Friday in New York, is played by Don Ameche, who at the age of 80 has been showing Hollywood he is not ready for retirement.

The actor, who started out as a radio star in the 1930s, specialized in screen boss vignettes in the '40s and landed on television and Broadway in the '50s, has in the last five years returned to the movies.

In 1983, he played a mendacious millionaire in John Landis' "Trading Places," two years later, critics praised the performer's break-dancing antics in Ron Howard's "Cocoon."

"Cocoon" won Ameche an Oscar — the first in his 50-year career — and another job: "Cocoon: The Return," directed by Daniel Petrie, which is scheduled for release Nov. 23. While "Cocoon" capitalized on the ubiquitous Ameche charm, "Things Change" represents a departure for the actor.

"I have never played a character like Gino before," says Ameche, whose trim figure and graceful manner belie his age.



Don Ameche, right, with Joe Mantegna in a scene from David Mamet's film "Things Change."

He knew the character, and all you had to do was ask him about whatever you didn't understand, which I did. I was totally trying to give him what he wanted. You see, I had watched "The Untouchables," "House of Games," before I took the part. I just thought it was wonderful. I would've done anything he asked me to do, truthfully, after seeing that."

Ameche was one of the few of the cast who had not collaborated with the director before, either on stage or film. "Things Change" includes such Mamet regulars as Joe Mantegna, Mike Nussbaum, J.J. Johnston, Jack Wallace and W.J. Mac.

"I didn't feel strange on the set being with all these people David had known, but I never ever got into the circle," Ameche says. "Because I knew I didn't belong, and I never did to get involved in it. If that happens, it has to be of its own volition. I couldn't force anything, and I don't think any of them could, or did they. This is a really tight thing, and it goes back a long way, to the Goodman Theater 15 years ago. So it over entered my mind that I would be a part of that, never."

In fact, Ameche was not the director's first choice for Gino. Mamet had initially cast him as one of the docs. "David was in a quoddy over the shoeshine man," recalls Mantegna, who

was convinced by a fellow student to attend a theater audition for George Bernard Shaw's "The Devil's Disciple."

"I sat in the back watching these people, and they were all awful. So finally I decided I'd read and the director said, 'Where have you been? And I got the part of Dodgson.'

That eventually led to stock company productions and radio. Dubbed "The Man of a Thousand Voices," he graced such hit radio shows as "The First Nighter" and "The Chase & Sanborn Hour."

"I just can't retire," he says in that resonant baritone voice. "I guess I'm still too restless."

PEOPLE

Sting and Company Wind Up Amnesty Tour

Sting, Peter Gabriel and three Springsteen have wound up their 20-city rock festival tour for Amnesty International before 70,000 in the River Plate soccer stadium in Buenos Aires.

Thousands of guests arrived at the Ludizini Royal Krail near Mbabe, Swaziland, as 20-year-old King Mswati III began the wedding ceremony for his marriage to 19-year-old commoner Sibosela Mngomezulu.

Johnny Carson, back in his hometown of Norfolk, Nebraska, to dedicate a cancer center, said wealthy people have a moral obligation to give something back.

Queen Elizabeth II and the Duke of Edinburgh arrived in Madrid Monday for a five-day visit, the first to Spain by a reigning British monarch. The queen was welcomed at the airport by Crown Prince Felipe and Princess Cristina.

ANNOUNCEMENTS section containing various international notices and advertisements.

INTERNATIONAL CLASSIFIED section with multiple columns of real estate listings from various countries.

EMPLOYMENT section containing various job openings and executive search advertisements.

AT&T and GLOBAL INTERNATIONAL advertisements.

International Business Message Center section with various business opportunities and services.

ASSISTANT TO THE MANAGING DIRECTOR advertisement for Sprague company.

WORLD SERIALIZED and other marginal text on the right edge of the page.